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# EMERGENCY CREDIT REVOLVING FUND

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## HEARING BEFORE THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

SECOND SESSION

ON

H.J. Res. 1227, H.J. Res. 1228, H.J. Res. 1232,  
H.J. Res. 1237, H.J. Res. 1238, H.J. Res. 1241,  
H.J. Res. 1244, H.J. Res. 1250, H.J. Res. 1253,  
H.J. Res. 1254, H.J. Res. 1255, and H.J. Res. 1259

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## EMERGENCY CREDIT REVOLVING FUND

TUESDAY, APRIL 30, 1968

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON AGRICULTURE,  
*Washington, D.C.*

The committee met, pursuant to call, at 10 a.m., in room 1301, Longworth House Office Building, Hon. W. R. Poage (chairman) presiding.

Present: Representatives Poage, Jones of Missouri, O'Neal, de la Garza, Dow, Montgomery, Belcher, Teague of California, Mrs. May, Hansen, Goodling, Miller, Burke, Mathias, Mayne, Zwach, Kleppe, Price, Myers, and Polanco-Abreu.

Also present: Christine S. Gallagher, clerk; William C. Black, general counsel; Hyde H. Murray, assistant counsel; L. T. Easley, staff consultant; and Fowler C. West, assistant staff consultant.

The CHAIRMAN. The committee will please come to order.

We have met today for consideration of a large number of identical resolutions, one of them being by Congressman de la Garza, House Joint Resolution 1227. And our colleague, Mr. Mathias, has House Joint Resolution 1234.

(Following is the text of H.J. Res. 1227 by Mr. de la Garza which is identical to H.J. Res. 1228 by Messrs. Hathaway, Anderson of Tennessee, Davis of Georgia, Dow, Gathings, and Sisk; H.J. Res. 1232 by Messrs. Hathaway, Blanton, Cleveland, Evans of Colorado, Halpern, Hungate, Kyros, Myers, and Polanco-Abreu; H.J. Res. 1237 by Mr. Long of Louisiana; H.J. Res. 1238 by Mr. Bingham; H.J. Res. 1241 by Mr. Zwach; H.J. Res. 1244 by Mr. Mathias of California; H.J. Res. 1250 by Messrs. Hathaway, Langen, Steiger of Arizona, and Johnson of California; H.J. Res. 1253 by Mr. Price of Texas; H.J. Res. 1254 by Mr. Roush; H.J. Res. 1255 by Mr. Hansen of Idaho; and H.J. Res. 1259 by Mr. Resnick.)

[H. J. RES. 1227, 90th Cong., second sess.]

JOINT RESOLUTION To authorize the temporary funding of the Emergency Credit Revolving Fund

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commodity Credit Corporation is hereby authorized and directed to make advances to the Emergency Credit Revolving Fund (7 U.S.C. 1966) in a total amount not to exceed \$30,000,000. Such advances together with interest at a rate which will compensate Commodity Credit Corporation for its cost of money during the period in which the advance was outstanding shall be reimbursed out of appropriations to the fund hereafter made.*

The CHAIRMAN. I recognize Mr. Mathias.

**STATEMENT OF HON. BOB MATHIAS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA**

**Mr. MATTHIAS.** Mr. Chairman, I'm pleased to appear here this morning in support of House Joint Resolution 1244, the bill I have introduced to provide additional temporary funding for the Farmers Home Administration's Emergency Credit Revolving Fund. Because of frost, hail, and storm damage in widely scattered areas of the country, there are presently 1,326 counties in 39 States eligible for loans from the Emergency Credit Revolving Fund.

In my own district, the citrus growers of Tulare County have suffered great losses as a result of the severe freeze which we experienced last December. Freeze damage to other crops, and a certain amount of flood and hail damage, have created pressing needs for emergency credit.

However, because the Emergency Credit Revolving Fund has run out of money to lend, loan applications are being approved and then set aside, until sufficient funds are available to complete the loans. This Revolving Fund is intended to help in emergency situations. It is meant to help farmers who have experienced adverse conditions, and who cannot obtain funds through normal private channels. The effectiveness of the fund is defeated when resources are exhausted and loans are held up during an emergency.

This year the need for emergency loans is unprecedented. A total of 18,540 emergency loans in the amount of \$89,483,900 had been made through March 29. At that time, the applications of 1,629 farmers for a total of \$8,297,970 were pending in the finance office of Farmers Home Administration, awaiting adequate funds for the preparation of loan checks. An additional 2,571 loan applications were being processed through regional offices. These applications request a total of \$14,749,380. And Farmers Home Administration field personnel estimate that another 6,272 farmers will need emergency loans in the amount of \$17,952,650 during the current crop year.

My bill will authorize the Commodity Credit Corporation to immediately advance \$30 million to the Emergency Credit Revolving Fund. This amount, together with the \$11 million which the Fund will collect on outstanding loans during the current quarter, should be adequate to meet the presently expected needs.

Because this legislation is so essential to hard-pressed farm families in our area and across the Nation, I hope that it will receive speedy consideration and passage.

**The CHAIRMAN.** We will now hear from the vice chairman of the committee, the Honorable (Took) Gathings of Arkansas.

**STATEMENT OF HON. E. C. GATHINGS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF ARKANSAS**

**Mr. GATHINGS.** Mr. Chairman, I want to thank you for scheduling this emergency resolution with such dispatch. The legislation which is being considered by the committee today to provide that the Commodity Credit Corporation is authorized and directed to make advances to the Emergency Revolving Fund in the amount of \$30,000,000 is most vital and necessary. I am one of the sponsors of this legis-

lation. These funds are used for crop production purposes in disaster areas. The revolving fund of the Farmers Home Administration has been depleted. This leaves quite a number of applications in various States over the country that have been approved, with no funds available to these farmers who are desperately in need to carry on their operations. Other credit sources are not available to them. They are dependent upon the funds that would be made available under this joint resolution.

I want to commend the Farmers Home Administration officials, the Department of Agriculture and the Bureau of the Budget, Executive Offices of the President, for moving expeditiously in forwarding this report to the chairman of this committee. The request was first made by phone about a week ago. It was followed up by a letter from the Chairman asking for the views of the Department under date of April 22. The actual report was transmitted and received in the committee on Friday, April 26. I am sure that the farmers in the disaster areas of the country are most appreciative of the manner in which the Department officials have recognized by their actions that no time be lost in dealing with this problem.

The collections by the Farmers Home Administration on loans made under the authority of the emergency provisions of the Farmers Home Act have been exceedingly good. About 97 percent of these loans, together with interest, have been repaid.

I trust that the committee will approve this joint resolution without delay.

The CHAIRMAN. Thank you Mr. Gathings. We will now hear from another of our committee colleagues, the Honorable "Kika" de la Garza of Texas.

#### **STATEMENT OF HON. ELIGIO de la GARZA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. DE LA GARZA. Mr. Chairman, members of the committee, I appreciate very much your indulgence and very respectfully recommend to you the passage of H.R. 1227. This measure provides for and would authorize and direct the Commodity Credit Corporation to make advances to the Emergency Credit Revolving Fund in a total amount not to exceed \$30 million. Mr. Chairman, since before Hurricane Beulah, my district was suffering from drought, then came the hurricane with all its devastation, the subsequent rains still continue, and as recent as last week, a great part of the melon crop in Starr County was destroyed by hail. The Farmers Home Administration has been extremely helpful, and continues to do so, except that they have no funds to continue with emergency loans. This legislation would provide the funds as promptly as possible, because the help is needed now. I thank you for your attention and again respectfully urge the passage of this legislation.

The CHAIRMAN. Thank you, Mr. de la Garza. Next we will hear from the Resident Commissioner of Puerto Rico and a member of this committee, the Honorable Santiago Polanco-Abreu.

STATEMENT OF HON. SANTIAGO POLANCO-ABREU, RESIDENT  
COMMISSIONER OF PUERTO RICO

Mr. POLANCO. Mr. Chairman, I appreciate the opportunity to give my view this morning in support of the legislation before the committee to authorize advances to the Emergency Credit Revolving Fund of the Farmers Home Administration by the Commodity Credit Corporation.

This legislation has an urgent national need, and I am sure that that requirement is fully spelled out in the testimony of other Members who are sponsoring or cosponsoring legislation to solve the problem.

I urge the adoption of the legislation because of the desperate need of Puerto Rican farmers for financial assistance resulting from severe drought conditions which have existed in the island for several years.

One thinks of a small tropical island such as ours as a lush paradise with rain forests and an abundance of rainfall.

Puerto Rico does indeed have a rain forest with precipitation approximating 200 inches per year. But because of wind currents and a mountainous terrain, rainfall is not spread evenly through the island. Some areas such as the southwest portion of Puerto Rico are characterized by paucity of precipitation and are traditionally dry. But in recent years Puerto Rico, the American Virgin Islands, and other islands in the area, have not received normal supplies of water from heaven. Drought conditions have crept across Puerto Rico, and persisting as long as they have, they have created difficult problems for those who depend on the land for a living.

The entire Commonwealth of Puerto Rico was designated as an emergency loan area late in 1967 because of serious damage to crops as the result of the prolonged drought. Because of this, many farmers cannot get adequate financing from other sources. However, when these farmers applied for emergency loans at local offices of the Farmers Home Administration they found that the funds for making these loans had been exhausted. Many of them found it difficult to believe that the Government did not have sufficient funds to meet their needs.

Mr. Chairman, the needs of Puerto Rico are not large with regard to the number of farmers involved and the loans they will need. However, Mr. Chairman, the needs of these people are very great indeed with respect to their ability to continue in business. It is as simple as this. If they can get emergency loans they can continue farming. If they cannot get emergency loans most of them will be forced out of business.

Always there is the hope that the rains may come tomorrow, but they do not come, and without rain the farmer is in much worse condition than the worker who finds himself out of a job. In one way or another he must find immediate financial assistance or he will have to leave the farm. If he does so, there is a good chance that the land may never be put back into production and a chain reaction of problems to society is put into motion.

House Joint Resolution 1228 would add \$30,000,000 to the Emergency Credit Revolving Fund. I am informed that this amount plus collections to be made on emergency loans already made would be adequate to meet the needs of approximately 7,000 farmers in 39 States and Puerto Rico. I interpret this to mean that the enactment of this resolution would enable the Farmers Home Administration staff in

Puerto Rico to make emergency loans to eligible farmers there. Therefore, Mr. Chairman, I urge your favorable consideration of this resolution.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Polanco. We also have statements from other Members of Congress which will be inserted in the record at this point.

(The statements referred to follow :)

**STATEMENT OF HON. ODIN LANGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA**

Mr. LANGEN. Mr. Chairman, I am indeed grateful that the House Committee on Agriculture is directing attention to the financial crisis faced by thousands of American farmers and ranchers. I am pleased to have the opportunity of submitting a statement in behalf of the joint resolutions calling for the transfer of \$30 million as a loan from the Commodity Credit Corporation to the Farmers Home Administration Emergency Credit Revolving Fund.

Adverse weather conditions and natural disasters have created an unprecedented need for emergency loans by our farmers in 1,326 counties in 39 States that have been designated emergency areas. They thus become eligible for FHA emergency loans. The credit needs of these farmers cannot be met by other sources, and they cannot continue farming without such credit.

The unfortunate fact now facing them is that funds are not currently available to them, even though their applications may have been approved. As pointed out by others, approximately 10,000 farmers will be unable to obtain necessary loans unless action is taken now to replenish the FHA Emergency Credit Revolving Fund.

The amount we are asking under these joint resolutions is \$30 million. This, coupled with the \$11 million that is expected to be collected on emergency loans through June, should be adequate to meet the needs for this growing season.

It should be pointed out, Mr. Chairman, that the need for replenishing the emergency fund has not been caused by loan losses. During the 19 years this program has been in operation, approximately 350,000 loans have been made totaling a billion dollars, but losses have been less than 2 percent, representing an excellent track record. The current need for funds stems from an unusually heavy demand for funds caused by natural disasters and conditions that were beyond the control of the farmers. The revolving fund's cash assets were exhausted by the middle of March. The only additional money available to FHA at this time comes from collections on existing loans, and this is not the season of the year for heavy collections.

I wish to further point out that the administration is currently withholding \$25 million of the funds which Congress appropriated last year for the FHA loan fund. As far as can be determined, these funds will not be released. Therefore, it is imperative that we act now while there is still time to assist thousands of farmers in this new growing season.

But the time is short, Mr. Chairman. Loans are needed now for this year's crop. It would be tragic if thousands more of our farmers and ranchers were forced off the land through the inability to obtain emergency financing. Our farm people have experienced enough trouble during recent years without this additional stumbling block being put in their way. I respectfully urge that prompt approval be given to the resolution to transfer \$30 million as a loan from the CCC to the FHA Emergency Credit Revolving Fund.

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**STATEMENT OF HON. WILLIAM L. HUNGATE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSOURI**

Mr. HUNGATE. Between April and August of 1967, Missouri agriculture suffered from abnormally cool weather, excessive rainfall and severe floodings. Cropland in 59 Missouri counties was damaged as 226 levees were broken by massive floods.

On June 24, 1967, I joined in and brought to the attention of the President and the Speaker of the House a resolution from the Missouri House of Representatives calling for emergency assistance for flood victims. Shortly thereafter the

Department of Agriculture designated 21 counties in the Ninth Congressional District as eligible for emergency loan assistance.

But the losses and privation exceeded the Department's funding capacity, and the Farmers Home Administration's emergency credit revolving fund is now depleted.

The continuing demands for emergency loan assistance cannot be properly met unless the fund is replenished by a \$30 million loan from the Commodity Credit Corporation.

I recognize the difficult tight money situation facing us, but lending is not spending and the same tight money situation faces each of these flood-stricken individual farmers. I respectfully urge the committee to act favorably on this most urgently needed authorization.

**STATEMENT OF HON. J. EDWARD ROUSH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF INDIANA**

Mr. ROUSH. Mr. Chairman, I am deeply appreciative of this opportunity to express before this committee the reasons for my support of and sponsorship of House Joint Resolutions 1227 and 1228. In introducing this bill I am following the example of Congressman Hathaway and hopefully my efforts will influence others to support this legislation.

The reasons these proposals are necessary are clear. National disasters affecting many parts of the country last year, including and especially Indiana, my State, have depleted and diminished FHA loan funds. In some cases applications are approved, only to find out that funds are not available. This situation has occurred in my district in Indiana.

In all fairness, then, additional financial assistance should be provided. The proposed legislation would transfer \$30 million from the Commodity Credit Corporation to the Farmers Home Administration.

In Indiana, 76 counties are designated for emergency loans because of the severe damage to last year's corn and soybean crops due to rains and freezing temperatures. Some crops could not be harvested; others sold at tragically low prices.

The legislation before you is designed to provide needed financial assistance. I hope it will pass this committee rapidly, and then the House of Representatives, for the farmer's plight, is, after all, our own, we are dependent upon him at every turn; we owe him assistance in this emergency.

**STATEMENT OF HON. JOHN W. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA**

Mr. DAVIS. Mr. Chairman, I need not remind you that during the past year natural disasters have caused an unusual amount of damage to our agriculture in a number of instances.

In my own area, northwest Georgia, as in many other areas of Arkansas, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee, freezing temperatures in early November all but abolished the cotton yield.

In Texas, Hurricane Beulah left a path of destruction through 16 counties. Excessive moisture and freezing temperatures hit corn and soybeans hard at harvest time in Illinois, Indiana, Iowa, and Ohio. The same conditions interfered with harvesting again in the early fall in New England. In December, heavy snowstorms hit Arizona and New Mexico, damaging livestock, buildings, feed, and farm machinery.

I understand that the Emergency Credit Revolving Fund has more than 2,500 applications awaiting funding from farmers who suffered from these natural disasters. The Farmers Home Administration, which operates the fund, says that it expects that another 5,500 farmers will need its help before the year's end, and that it will take about \$38,931,000 to take care of all the requests.

In a normal year, we could keep the fund active with funds from the collection of other loans. But this year, the collections are simply not enough.

I strongly urge the passage of House Joint Resolution 1228, which would authorize and direct the Commodity Credit Corporation to make advances to the Emergency Credit Revolving Fund in a total amount not to exceed \$30 million. Together with the collections that are made, this should cover the needs of those farmers in our country hardest pressed today.

Mr. Chairman, because there is nothing we can do at present to prevent natural disasters such as the ones I mentioned, I think we have a special responsibility to

stand by these farmers at a time when they have been hit at their most vulnerable point. I know funds are short, but these loans are a valuable investment.

The CHAIRMAN. I believe, in view of the situation, that we should now hear from Mr. Howard Bertsch, Administrator of the Farmers Home Administration.

We will be glad to hear from you now, Mr. Bertsch.

**STATEMENT OF HOWARD BERTSCH, ADMINISTRATOR, FARMERS HOME ADMINISTRATION, ACCCOMPANIED BY JACK FROST, DIRECTOR, EMERGENCY LOAN DIVISION, AND H. V. CAMPBELL, ASSISTANT GENERAL COUNSEL, FARMERS HOME ADMINISTRATION, U.S. DEPARTMENT OF AGRICULTURE**

Mr. BERTSCH. Mr. Chairman and members of the committee. We are glad to have this opportunity to present the Department's position on House Joint Resolutions 1227 and 1228, identical resolutions to authorize a temporary funding of the Emergency Credit Revolving Fund.

The Department recommends enactment of the proposed resolutions.

House Joint Resolutions 1227 and 1228 would authorize and direct the Commodity Credit Corporation to make advances to the Emergency Credit Revolving Fund in a total amount not to exceed \$30 million. The resolutions provide also that the Commodity Credit Corporation would be reimbursed with interest out of a subsequent appropriation.

We assume the proposal to borrow from the Commodity Credit Corporation was devised to save time and time is of the essence. Unless these loans are made almost at once they will be too late.

As you know, emergency loans are made by the Farmers Home Administration in areas designated for this purpose by the Secretary of Agriculture. Designations are based on findings by the Secretary that a natural disaster has caused a general need for agricultural credit which cannot be met by local sources. These loans are made out of the Emergency Credit Revolving Fund. The revolving fund does not receive annual appropriations. Instead, funds are loaned, collected, and loaned again to established farmers and ranchers who are unable to obtain credit from other sources.

A total of 19,389 emergency loans in the amount of \$92,384,489 had been made through April 12. The applications of 2,253 additional farmers and ranchers totaling \$13,931,000 were pending in the finance office of the Farmers Home Administration on April 12 awaiting sufficient funds for the preparation of checks. Also, it is estimated that 5,500 other farmers will need emergency loans totaling approximately \$25,000,000. This shows a current cash need of \$38,931,000. The amount which would be provided by the proposed resolutions plus amounts to be collected during the remainder of this fiscal year should be adequate to meet this need.

There are 1,326 presently designated emergency loan counties in 39 States. The unprecedented need for these loans this year has resulted from:

1. Hurricane Beulah in September of 1967, which, with accompanying floods and tornados, did extensive damage to buildings, land,

vegetable crops, and livestock in 13 south Texas counties. These counties had already experienced damage to the cotton crop because of a prolonged drought. The drought and other adverse weather conditions prevailed in 178 other Texas counties during 1967.

2. Freezing temperatures in early November which did extensive damage to the 1967 cotton crop in 339 counties in Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee. The cotton crop was practically destroyed in most of these counties.

3. Excessive moisture and freezing temperatures at harvest time in Illinois, Indiana, Iowa, and Ohio which resulted in large volumes of soft corn and seriously interferred with the harvest of corn and soybeans. Many acres were not harvested. In addition, the moisture content of harvested corn was high and prices were greatly depressed. Affected were 58 counties in Illinois, 76 counties in Indiana, 40 counties in Iowa, and 53 counties in Ohio.

4. Excessive moisture and freezing temperatures in the early fall of 1967 which seriously interferred with harvesting and damaged the quality of crops in New England, particularly in the potato area of Maine.

5. Heavy moisture which hit Arizona and parts of New Mexico between December 11 and 19. These storms did extensive damage to livestock, buildings, feed, and farm machinery. The greatest damage was to breeding livestock and the livestock increase for 1968. Very few ranchers will have any income this year from the sale of livestock increase. Thirteen counties in Arizona and four counties in New Mexico were designated as emergency loan areas because of these storms.

Mr. Chairman, the shortage of loan funds has not resulted from loan losses. Emergency loans totaling approximately \$1 billion have been made out of the Revolving Fund since April 6, 1949. The collection record is 95.9 percent of maturities and losses have been less than two percent of the amount loaned. Regardless of the reason, however, the shortage of loan funds poses a serious and critical situation for many farmers who are unable to obtain credit from other sources. Many will not be able to farm this year unless additional funds are provided. There are more than 7,000 farm families who are anxiously awaiting the outcome of these resolutions. They are anxious because if funds are not provided within the foreseeable future they will be forced to leave the land and attempt some other way of life.

The CHAIRMAN. Thank you very much, Mr. Bertsch.

Will you give us an explanation of the mechanics of this thing and how it is going to work?

I note that the resolutions as prepared say that there will be reimbursement of funds, which means, as I understand it, that they will be paid from appropriations if they are given, and if they are not, they will never be paid and it will come out of the funds of the Commodity Credit Corporation and be charged to that agency. I am intrigued with the idea of getting the funds for this purpose, and I think that most of the members will agree that we need these funds, and I do not think that we should go into a discussion about why we are not getting them now. You can blame a lot of people for that, but we are not getting them and this is a way to get them.

What do you really contemplate as to the repayment?

Mr. BERTSCH. If time permitted, the refurbishing of the Emergency Loan Revolving Fund would be taken care of through a supplemental appropriation. We are advised that the next supplemental appropriation bill, which would come to the Congress from the administration, would not come up until May 15, and then it would go through the appropriations process. What is designed here is a way to quickly provide funds.

The CHAIRMAN. I know what it is designed for. Do you think that the Appropriations Committee will pay this with an appropriation on May 15?

Mr. BERTSCH. Well, I can only testify that the administration will request in an early supplemental an item of \$30 million for this.

The CHAIRMAN. I think that question is rather important. I did not know that the administration would request an item of \$30 million for this.

Mr. BERTSCH. I think, Mr. Chairman, that the fact the administration has filed a report on these two resolutions, a favorable report, commits the administration to pursue the supplemental route, because the legislation does provide that this loan from the Commodity Credit Corporation would be repaid by a supplemental appropriation. I think that it is up to us to request a supplemental appropriation. I am quite satisfied that is the intent of the administration.

The CHAIRMAN. I am glad to hear that because I think that we ought to pay this back to the Commodity Credit Corporation. This ought to be charged to appropriations, and I was told that there would be a provision in here to earmark the repayment of these loans, to assure their repayment to the Commodity Credit Corporation. That is not in the resolutions which are now before us. Why was it decided against permitting the repayment of the money to the Commodity Credit Corporation? Why was that decided against?

Mr. BERTSCH. I did not at any time understand that there was consideration given to retiring this proposed Commodity Credit Corporation debt through repayments made to the Emergency Loan Fund. This, in effect, would be a long, laborious process—and I am assuming—

The CHAIRMAN. I do not mean to eliminate the appropriation process. I simply mean that these repayments would be made collateral for the money that you get from the Commodity Credit Corporation.

Mr. BERTSCH. That, in effect, would immobilize those collections insofar as future loans are concerned, and I believe that—

The CHAIRMAN. That is correct.

Mr. BERTSCH (continuing). What is needed here, Mr. Chairman, is a further expansion, really, of the Emergency Loan Revolving Fund.

The CHAIRMAN. The \$30 million will take care of not only the present problems but will take care of the next year, and the next?

Mr. BERTSCH. That is correct.

The CHAIRMAN. If you have \$30 million more money, you can do that?

Mr. BERTSCH. Right.

The CHAIRMAN. How much money have you impounded now?

Mr. BERTSCH. Impounded—none. All of the cash available to the

Emergency Loan Revolving Fund has been apportioned to it and has been lent.

We are authorized, up to \$14 million, to use present collections as they are made, to make loans for the fiscal year.

The CHAIRMAN. You have authority under the law of guaranteeing loans up to what—\$400 million?

Mr. BERTSCH. Yes, but the emergency loans are not included in that authority.

The CHAIRMAN. Yes, sir; but that is an authority, I believe of \$400 million?

Mr. BERTSCH. \$450 million.

The CHAIRMAN. How much of it can you exercise? Are you able to go up to the \$450 million, or is a part of that impounded?

Mr. BERTSCH. No; I think that we are in a position to insure only about \$327 million of that \$450 million. This is because in our program levels estimated for the 1968 budget it was contemplated that only \$200 million of that insurance authority would be used for farm ownership loans and we judged that we would be able to use only \$123 million for our association type loans. It is \$123 million or \$127 million. My memory is not sharp on that figure.

The CHAIRMAN. Just a moment, Mr. Myers.

It seems to me rather ridiculous that we should prevent—that is, the Government should prevent—using all of the authority that it has and then come around saying that “We can transfer some of the funds that were appropriated for another purpose, let us use them, but we will not let you use all of the funds that we provided you for a specific use.”

However, ridiculous it may be, I am saying this for the record and for the newspapermen, that it is ridiculous, but however ridiculous it may be, it is not ridiculous to the poor fellow who needs the loan now, who has to get the money in some way. If this legerdemain would help somebody approve the needed funds then I am for it, but I think that we ought to understand that this Congress has provided substantial authority of lending power through the guaranteed loans to the Farmers Home Administration, not for this purpose but for other purposes that can not be used, simply because we are told that you must not guarantee all of the loans that you are authorized to guarantee.

Excuse me, Mr. Myers.

Mr. MEYERS. You referred to impounded funds. What are “impounded funds?”

What do you mean by this?

The CHAIRMAN. I mean funds that we have authorized and that the executive branch has said cannot be used. That is what I think is perfectly silly, for the Congress to say “You can get \$450 million in these guarantee loans,” and you know how they work, and then for the executive branch to come along and say “You cannot actually guarantee but \$300 million,” and then for the executive branch to say, “You can only use \$250 million.”

Mr. MYERS. I do not recall what Mr. Bertsch's answer was to that question. Are there impounded funds?

The CHAIRMAN. Yes, sir; but that is an authority, I believe of \$400 million?

Mr. BERTSCH. There is authority to use in our 1968 program levels less than the \$450 million insurance authority contained in the statute. This \$450 million is available in total for several purposes, one of which is the farm ownership real estate loan program. Our budget levels for insuring farm ownership loans in the 1968 fiscal year was fixed at \$200 million. Our budget levels for insuring association-type loans would also come out of this \$450 million which was fixed at—I believe—at \$123 million—I may be off just a few million dollars on that—so that, in effect, what the Chairman points out is correct, where the legislative authorization we have is to insure up to \$450 million of various types of loans, and our program levels for this year held us to \$325 million.

Mr. MYERS. That is where the real problem is.

The CHAIRMAN. Of course, that is not the same. As Mr. Bertsch pointed out, we authorized the guaranteed or insured loans for certain purposes, home ownership loans, et cetera, but in view of the emergency loans which you are talking about this morning, it does seem to me to be completely foolish to say that we cannot guarantee the full amount that the Congress authorized or to insure the full amount that Congress authorized and then say that we will come around and borrow the money from the Commodity Credit Corporation. It just does not make much sense to me. It does not make any sense to deny these people credit in times of emergency, if, by walking around the building in this direction [indicating] we can get the money; whereas, if we walk around the building in this direction [indicating opposite direction] we cannot get it. You have to walk in this direction [indicating].

Mr. MYERS. Could I ask one more question?

The CHAIRMAN. Yes.

Mr. MYERS. If the executive branch would release these funds could you accommodate the necessary loan requirements without any action by us?

Mr. BERTSCH. No, sir; we have no authority to use this insurance authority for emergency loans. They are limited to farm ownership loans and our association-type loans. We could not use that insurance authority for emergency loans under the statute. And this is the need that we are talking about.

Mr. MYERS. The farmers to whom the Administration makes personal-type loans on collateral, on chattel-type collateral, I know. What are you referring to as emergency then?

Mr. BERTSCH. I am referring to loans authorized in areas designated as having suffered natural disasters.

Mr. MYERS. These are listed here?

Mr. BERTSCH. Yes, sir.

Mr. MYERS. You are making such loans?

Mr. BERTSCH. We cannot, because we have exhausted the Emergency Loan Fund.

Mr. MYERS. That is what I know. If you have the money—What makes the difference between an Emergency Loan and one of the regular-type loans through your normal channels? What is the difference?

Mr. BERTSCH. The difference is the source of the funds.

Mr. MYERS. If you had the authority to release them, do you have the authority now?

Mr. BERTSCH. We do not have the funds; we do not have the funds in the revolving fund which is the only fund we can use.

Mr. MYERS. You have five pockets and this happens to be in the wrong pocket; is that right?

Mr. BERTSCH. Yes, that is a good illustration.

The CHAIRMAN. Let me explain further to those who maybe are not familiar with the fact that these emergency loans are made on a somewhat different basis than the regular loans. They are more liberal loans. They carry a small interest rate. And the limitations on the amounts are much more liberal. There is no \$2,500 limitation; there is no limitation, you make them up for whatever is needed.

Mr. BERTSCH. No limit on the amount.

Mr. MYERS. In a telephone call that I made to someone in your Department, you said that you would hold this to about \$2,500, give a little bit to everyone, as many people as you could.

You say that you do not do that?

Mr. BERTSCH. No, sir; if anyone so advised, they advised you incorrectly. There is a breakdown of communications in that. There is no limit on the size of the emergency loan. They are made at 3 percent interest rather than at the 5 percent interest on most of our lending operations. They may be made to a somewhat broader group, eligibility-wise; that is, an emergency loan under the statute may be made to operators of larger than family farms. They may be made to other than individuals; that is, they may be made to corporations or partnerships. This authority we do not have in our regular operating loan.

Mr. MYERS. How about security?

Mr. BERTSCH. Security is generally taken on the crops to be produced, although if that security is hazardous, I mean particularly so, we take the best security available to us, which may be security on the livestock and equipment or even on the real estate.

Mr. MYERS. Do you take second mortgages?

Mr. BERTSCH. Yes.

Mr. MYERS. Third mortgages?

Mr. BERTSCH. Yes. If there is equity there we take advantage of that equity. Our primary security on the emergency loans is in the crops.

The CHAIRMAN. May I add, as I understand it, that is probably the reason we did not specifically include emergency loans in the guaranteed or insured type loans. Nobody wants to buy them. They are a loan that carries too much risk to sell on the markets and having the Farmers Home Administration putting insurance or a guarantee or endorsement behind them, and that is probably the basic reason on which we distinguish between these types of loans so far as the guarantee is concerned.

Mr. MYERS. A purchaser would not blend them, then; he would not take some of yours and some of these higher risk ones?

The CHAIRMAN. He guarantees them 100 percent anyhow, so that the purchaser who buys will be actually looking to the Farmers Home Administration and not to the security anyhow; but it certainly did not seem to the committee some years ago that it was very good business to guarantee these high risk loans, that we had better rely on direct

appropriations for these and guarantee the better risks. Every time you have a loss, even though the borrower is looking to the United States he is certainly going to discount that kind of paper in the future.

Mr. MYERS. You want to do it on an individual basis? Is that right? You want to reserve the right to come in to take care of each case?

The CHAIRMAN. Yes.

Mr. MYERS. It is the same either way, but a different control?

The CHAIRMAN. That is right. Back in February of this year, on the 22d of February to be exact, this committee passed a resolution calling on the President, the Secretary of Agriculture and the Administrator of Small Business, and others, to release some \$36 million which we understood was then impounded, of these disaster loans. I understand that has been released since that time.

Mr. BERTSCH. That is correct. It was apportioned to us almost immediately after the committee resolution. I must explain, however, that this was a \$36 million apportionment of lending authority; \$22 million of cash was in the fund, so that, in effect, what was apportioned to us was the \$22 million plus the authority to lend up to \$14 million additional as we collected the additional funds. Those collections are still coming in. We are still lending them. But this is a season of the year when collections are not heavy, and so some of these collections are going to be received too late in the fiscal year to be useful in financing this year's crops.

Mr. MYERS. Those are Emergency Fund collections?

Mr. BERTSCH. Yes.

The CHAIRMAN. Mr. Kleppe?

Mr. KLEPPE. At this point in time when we are considering this resolution, I would like to ask Mr. Bertsch a question pertaining to the repayment of this \$30 million. This is to come out of future appropriations, to take care of this transfer; in other words, so that the Commodity Credit Corporation is reimbursed?

We really do not know that that is going to be approved. My question is: Is this not still a good resolution for us to pass, under the circumstances that exist right at this moment?

Suppose that the Commodity Credit Corporation never gets the money back from the repayment here out of appropriations. Would you still be in favor of this resolution then?

Mr. BERTSCH. Congressman Kleppe, I do not know that I would be up here to testify in favor of this resolution if that were likely, because I believe that the Commodity Credit Corporation directors would take exception to it, and I suspect that the Administration would take exception to it, too.

Mr. KLEPPE. The reason that I am asking the question is because we are here acting on this resolution now without really knowing that that \$30 million will be repaid. It seems to me that we ought to consider the worst that can happen to this proposition, and that is the worst that can happen as I see it.

Mr. BERTSCH. I appreciate the point of view you express, Congressman Kleppe, but I believe the Administration will ask the Congress to appropriate \$30 million through a supplemental to make the Commodity Credit Corporation well.

**Mr. KLEPPE.** That is a fair answer.

**The CHAIRMAN.** I think that I had better be sure that is not misunderstood. I hope that you understood that I said that even though I think this is a very circuitous route to get the money that should have been available earlier, that I thought that we had to use this method, or any other, to get the money.

**Mr. KLEPPE.** I understood correctly.

**The CHAIRMAN.** Mr. Teague?

**Mr. TEAGUE** of California. Mr. Bertsch, would not the clean-cut way to accomplish this purpose be to get the House to accept an amendment in the Department of Agriculture's appropriations bill—it will be on the floor this Friday?

**Mr. BERTSCH.** Congressman Teague, it is purely a matter of timing. That appropriation bill I assume you are referring to is the 1969 fiscal year appropriation bill?

**Mr. TEAGUE** of California. Yes.

**Mr. BERTSCH.** This money would not be available until July 1, 1968, at the best. July 1 is too late for emergency loans to be made for the 1968 crops. It is purely a matter of funding of the emergency loan revolving fund. Timewise, it would be too late. It is essential that we be able to write checks now, early in May, or it will be too late to produce the 1968 crops in many regions.

**Mr. TEAGUE** of California. Did you have something to add, Mr. Myers?

**Mr. MYERS.** Could we not put that in to repay it, at least out of this agricultural appropriations bill coming up this week, to repay the \$30 million without the supplement?

**Mr. BERTSCH.** There is no provision in the 1969 appropriations bill.

**Mr. MYERS.** It could be amended.

**Mr. BERTSCH.** It could be amended, and it would, in effect, be as effective as a supplemental, and I assume that there will be supplements treated before the 1969 appropriations bill. I would hope that the Commodity Credit Corporation would be made well on this account prior to the time of the action on the 1969 appropriations bill. Otherwise, if this does not transpire, then, certainly, an amendment to the 1969 appropriations act would be in order.

**Mr. TEAGUE** of California. That is all. Thank you.

**The CHAIRMAN.** Mrs. May?

**Mrs. MAY.** Mr. Bertsch, in the last 2 weeks in my area, in the State of Washington, we have suffered a severe freeze. Two or three or more counties may have to be declared a disaster area. We do not know how many ranches are involved. The latest report is that we lost 90 percent of the soft fruit crop and 50 percent or more of the apple and pear crop, and there were severe row crop and grain losses.

If these figures are accurate, and if this is declared as a disaster area, unless we pass this resolution, as I understand it, there will be no money available for emergency loans to those eligible farmers in this fiscal year; is that right?

**Mr. BERTSCH.** That is correct, Mrs. May. In fact, there would be no further loan funds available until the collections are made of funds from the 1968 crop production.

Mrs. MAY. Yes, sir. You already have several hundred eligible applicants for the emergency loans right now whom you cannot help because you do not have the money?

Mr. BERTSCH. That is right. We have more than 2,000 loan dockets totaling about \$14 million stacked up in our finance office in St. Louis at this moment which would be paid as soon as funds are available.

Mrs. MAY. May I just ask one question concerning the disaster areas?

Take the situation in my own State. As I understand it, the Secretary has to determine—to make findings—that there was such widespread injury suffered that the situation can be defined as a disaster. Then, how do they set the boundaries on that?

Under what circumstances does the Secretary make this finding?

Mr. BERTSCH. Under the statute, section 321 of the statute. It provides that the Secretary may designate any area in the United States as an emergency area if he finds: (1) that there exists in such area a general need for agricultural credit which cannot be met for temporary periods of time by private, cooperative or other responsible sources at reasonable rates and terms for loans for similar purposes and (2) that the need for such a credit in such areas is the result of a natural disaster. Those are the two findings that must be made.

The mechanics of making those findings are briefly these:

There is no difficulty at all in determining when a natural disaster has struck. The determination which is a bit more complicated is whether or not this natural disaster has been of such consequence that other sources of credit are unable to meet the needs of the farmers in those areas. We contact other lenders; we contact other agricultural leaders in the area to get recommendations in detail which is not time-consuming, because we have made these designations in just a few days after the disaster has struck, but we do need to get a consensus that comes from other lending institutions and from other agricultural leaders that in their judgment there is a need for emergency credit because the existing credit is not likely to be able to meet these needs. Then we generally designate areas on a county basis, even though only a portion of a county has been hit, say, by a hail storm, to simplify the mechanics. We designate the county, but within that county we make loans only to those people, generally, who have personally suffered from the disaster.

Mrs. MAY. Thank you very much.

That is all, Mr. Chairman.

The CHAIRMAN. Mr. Goodling?

Mr. GOODLING. Mr. Bertsch, this directs the Commodity Credit Corporation to advance \$30 million to the Emergency Credit Revolving Fund. Does the Commodity Credit Corporation have \$30 million lying around in idle funds?

Mr. BERTSCH. The Commodity Credit Corporation has funds available for this purpose. They have assured us of this. And they have direct Treasury borrowing authority. So, if they did not have the \$30 million, they could go to the Treasury and borrow the \$30 million and lend it to us with interest for this purpose.

Mr. GOODLING. What interest rate do you expect to pay the Commodity Credit Corporation for this money?

Mr. BERTSCH. The cost of the money to the Commodity Credit Corporation.

Mr. GOODLING. And that would be at the going rate?

Mr. BERTSCH. That is right. We would absorb gratuitously the difference. I think, as to the question you are raising, we will lend the money at 3 percent. We may pay 5 or 5½ percent for it, because that may be what the Commodity Credit Corporation is now paying the Treasury for the money. We will absorb in the Emergency Loan Revolving Fund the interest differential between the 3 percent we charge and the 5 or 5½ percent, theoretically and hypothetically, that we pay.

Mr. GOODLING. You say the lending rate would be 3 percent?

Mr. BERTSCH. On the emergency loans the statute provides for a maximum interest charge of 3 percent which is, admittedly, below the market interest rates and is intended to compensate somewhat the farmer for the natural disaster which he has suffered.

Mr. GOODLING. That is standard in all cases?

Mr. BERTSCH. Yes, sir. Standard in all emergency loan cases, yes, sir.

Mr. GOODLING. Thank you.

That is all, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Goodling.

Mr. Jones?

Mr. JONES of Missouri. Mr. Bertsch, has it not been customary for the Secretary to wait until he has a request from a governor for the designation of these emergency areas?

Mr. BERTSCH. No, sir. That is not necessary. It is not the practice. The designation for a disaster area requested by a Governor is under a different statute than the Farmers Home Administration statute. Frequently, the Governor or a representative of the Governor joins with our people in making the determination that there is a need for emergency credit in the area, but this is not necessary and not required by the statute.

Mr. JONES of Missouri. I recall that in most every instance that we have had, I think someone told me that the Governor had not made the request and that was one of the reasons that there was some delay in designating such an area as a disaster area. That might be under some other program?

Mr. BERTSCH. This, Congressman Jones, is under Public Law 875, which is the President's emergency powers to make other programs available in an area. One of the programs in the Department of Agriculture—in fact, it is the feed program, that is authorized under Public Law 875, but the Governor's concurrence, the Governor's participation in the designation of an emergency loan area under the Farmers Home Administration Act is not necessary.

Mr. JONES of Missouri. This is really not pertinent, but I might say that day before yesterday I attended the funeral of one of your key men out in Missouri, Carl Ross, who had been a district supervisor for many years and who I think was recognized within the Department and elsewhere as being a most valuable man. We are going to miss him down there in southeast Missouri, and all of your field men in that entire area were there to pay tribute to him.

Mr. BERTSCH. Congressman Jones, we are all going to miss Carl Ross. In my judgment, he was one of the most able district supervisors in the United States, and one of the very fine contributors to the program. He contributed to the Farmers Home Administration

far beyond the borders of southeast Missonri or of the State of Missonri. He made many contributions to the improvement of our performance.

Mr. JONES of Missouri. Thank you very much.

That is all, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

If not, Mr. Bertsch, we really are very much obliged to you for your presentation.

I just do not know how many Congressmen have come in. I think that many have left.

Mr. Hathaway is still here, I believe.

We will hear from Mr. Hathaway now.

#### **STATEMENT OF HON. WILLIAM D. HATHAWAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE**

Mr. HATHAWAY. Mr. Chairman and members of the committee, thank you very much for the opportunity to testify before you this morning.

The Department has covered the picture very well.

I just want to add a few points.

First of all, let me say that this resolution has had considerable cosponsorship. We have Mr. Sisk, Mr. Davis of Georgia, Mr. Dow, Mr. Anderson of Tennessee, Mr. Gathings, Mr. Evans of Colorado, Mr. Cleveland, Mr. Blanton, and others, as well as Mr. Hansen of Idaho, Mr. Bingham, Mr. Long, Mr. de la Garza, Mr. Steiger, Mr. Price of Texas, and I understand that there will be other cosponsors when a resolution is introduced on the floor this afternoon.

On a partisan basis, the lineup at the present time is 15 Democrats and eight Republicans.

This is particularly an acute problem in my district in the State of Maine, as mentioned by the Department. We had a freeze there last fall which resulted in a declaration of an emergency area. You are aware of the fact that the potato market this year has not been as good as it has been the last year and the year before. We have to have a diversion program which is going on at the present time. As a matter of fact, we are going to ask for a continuation of that program through the month of May, to alleviate the conditions in Maine and elsewhere in the United States where potatoes are being produced.

So far as the Maine picture is concerned, at the time that I looked into this matter about a month ago—and I have been looking into it constantly—a lot of the people have come up to me when I was in the district to let me know that they were not able to obtain the money for the seed and the fertilizer to begin planting which starts in Maine next week and in other parts of the country it has started already. At that time there were 96 with applications for loans of \$722,160 for which checks could not be issued because there were not funds available. In addition to that there are 250 additional loans in the amount of almost \$2 million being processed for Maine farmers, and, at least 300 more, it is estimated, will require emergency loans to continue farming.

So, the total number of loans is about 646.

I would say that probably nearly all of the 646 who cannot get the money will be forced out, because of the freeze last year where they did not make much money on the 1967 crop and because of the price this year they have not been able to make much money out of the crop they were able to harvest. Some farmers lost as much as 20 to 30 percent of their crops as the result of the freeze. So that is going to be a very tough situation.

I cannot emphasize too much the importance of getting this passed and passed now, because they do need the money back now for planting.

Thank you.

The CHAIRMAN. Thank you.

Mr. HATHAWAY. There are other members here.

I have asked to have inserted into the record my prepared statement and statements by Mr. Cleveland, Mr. Anderson, Mr. Blanton, and Mr. Kyros, and I understand that others have already or later will submit statements for the record.

The CHAIRMAN. Without objection, those statements will be made part of the record.

(The statements referred to follow:)

**STATEMENT OF HON. WILLIAM D. HATHAWAY, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF MAINE**

Mr. Chairman, with so many problems confronting us today I hesitate to report a new emergency which is seriously affecting about 10,000 farmers and ranchers.

These farmers and ranchers are operating in counties which have been designated as emergency loan areas by the Secretary of Agriculture to authorize the Farmers Home Administration to make emergency loans. These counties were designated upon the Secretary's finding that natural disasters had caused a general need for agricultural credit which cannot be met by other sources.

These farmers and ranchers are unable to obtain credit from local banks and production credit associations. They cannot continue farming without credit. They will be forced out of business and off the land unless emergency loans can be made to them. The pathetic fact is that emergency loans cannot be made to them because funds are not available for this purpose.

I learned this during a recent visit to Maine where many farmers told me their applications for emergency loans had been approved but that funds for making these loans are exhausted.

So many farmers contacted me about this that I looked into the matter and found that the Farmers Home Administration had approved emergency loans for 96 Maine farmers in the amount of \$722,160 for which checks could not be written because of inadequate funds. These approved loans are in the finance office of the Farmers Home Administration ready for the preparation of checks if and when funds are available.

I learned also that 250 additional loans in the amount of \$1,911,050 were being processed for Maine farmers in field offices of the Farmers Home Administration and that at least 300 more would require emergency loans to continue farming. This alarmed me because it means that 646 farmers in Maine will be forced off the land unless additional emergency loan funds are made available.

This is a bleak picture—so bleak that on my return to Washington I inquired of the Farmers Home Administration about the loan fund situation nationally.

I was informed that emergency loans are made out of the emergency credit revolving fund and that the revolving fund does not receive annual appropriations. Funds are loaned, collected, and loaned again to established farmers and ranchers who are unable to obtain credit from other sources.

Presently there are 1,326 designated emergency loan counties in 39 States. There has been an unprecedented need for emergency loans this year. This increased need has resulted from—

First, Hurricane Beulah in September of 1967, which, with accompanying floods and tornadoes, did extensive damage to buildings, land, vegetable crops, and livestock in 16 south Texas counties. These counties had already experienced damage to the cotton crop because of a prolonged drought. The drought and other adverse weather conditions prevailed in 178 other Texas counties during 1967.

Second, Freezing temperatures in early November which did extensive damage to the 1967 cotton crop in many counties in Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee. The cotton crop was practically destroyed in most of these counties. Emergency loans are available in 339 counties in these States.

Third, Excessive moisture and freezing temperatures at harvest time in Illinois, Indiana, Iowa, and Ohio which resulted in large volumes of soft corn and seriously interfered with the harvest of corn and soybeans. Many acres were not harvested. In addition, the moisture content of harvest corn is high and prices are greatly depressed. Emergency loans are available in 58 counties in Illinois, 76 counties in Indiana, 40 counties in Iowa, and 53 counties in Ohio.

Fourth, Excessive moisture and freezing temperatures in the early fall of 1967 which seriously interfered with harvesting and damaged the quality of crops in New England, particularly in the potato area of Maine.

Fifth, Heavy snowstorms which hit Arizona and parts of New Mexico between December 11 and 19. These storms did extensive damage to livestock, buildings, feed, and farm machinery. The greatest damage was to breeding livestock and the livestock increase crop for 1968. Very few ranchers will have any income this year from the sale of livestock increases. Thirteen counties in Arizona and four counties in New Mexico were designated as emergency loan areas because of these storms.

Because of the unusually heavy demand for loans, the revolving fund's cash assets were exhausted by the middle of March. Since that time the Farmers Home Administration has been able to make additional emergency loans only as collections are received. This is not the season of the year for heavy collections on agricultural loans and the amount of emergency loan collections during the remainder of this fiscal year are not expected to even approach meeting the needs of farmers and ranchers who have already applied for loans.

A total of 18,540 emergency loans in the amount of \$89,483,900 had been made through March 29 of this fiscal year. At the same time the applications of 1,629 additional farmers in the amount of \$8,297,970 were pending in the finance office of the Farmers Home Administration awaiting adequate funds for the preparation of loan checks. Also, the applications of 2,571 other farmers were being processed in the field. These applications total \$14,749,380. Farmers Home Administration field personnel estimate that an additional 6,272 farmers will need emergency loans in the amount of \$17,952,650 for this crop year.

It is obvious that additional funds are urgently needed. If additional funds are not provided approximately 10,000 farmers will be unable to farm this year because of a lack of credit. I think it is important to our national economy that these farmers have an opportunity to continue farming. Therefore, I have introduced this resolution authorizing the Commodity Credit Corporation to make available \$30,000,000 to the Farmers Home Administration for use in making emergency loans and to provide that the Commodity Credit Corporation will be reimbursed this amount plus interest out of a future appropriation to the Emergency Credit Revolving Fund. I am proceeding in this manner because it is the fastest method for making funds available.

The amount of \$30,000,000 plus \$11,000,000 expected to be collected on emergency loans during April, May, and June will be adequate to meet the needs I have described.

The present need for replenishing the emergency credit revolving fund has not been caused by loan losses. This program was initiated on April 6, 1949. Emergency loans have been made to approximately 350,000 farmers and ranchers in the total amount of \$1 billion. Losses have been insignificant—less than 2 percent of the amount loaned.

Mr. Chairman, my proposed resolution deals with the fate of 10,000 farm families. We can make it possible for these families to remain on the land by enacting this legislation—or we can fail to enact it and watch them depart into a very uncertain future. Time is of the essence in this matter. Loans are needed now for this year's farming. Three weeks from now may be too late.

STATEMENT OF HON. JAMES C. CLEVELAND, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF NEW HAMPSHIRE

Mr. Chairman, I rise today to join a number of my colleagues on both sides of the aisle in expressing serious concern about the Farmers Home Administration's inability to make emergency loans because of a shortage of funds.

Emergency loans have been very helpful to New Hampshire farmers at intervals in the past and without these loans we would have fewer farmers in New Hampshire than we now have because many could not have continued in business without emergency loans.

These loans are made in counties where natural disasters have caused a general need for agricultural credit which cannot be met by local lenders.

Emergency loans are made to farmers and ranchers who are unable to obtain credit from their usual sources. Generally, applicants for these loans must receive emergency loans or go out of business. The Farmers Home Administration is their credit source of last resort. Without these loans they cannot farm and if they cannot farm they are deprived of their normal means of producing a livelihood for themselves and their families.

We understand that a series of natural disasters in widely separated areas have resulted in an unprecedented demand for emergency loans this year. As a result, cash assets of the Emergency Credit Revolving Fund, out of which these loans are made, have been exhausted since the middle of March and that additional loans cannot be made until the Congress provides additional funds.

My objective today is to urge serious consideration of the enactment of pending identical resolutions, H. J. Resolutions 1227 and 1228, and 1232 of which I am a sponsor, which would provide \$30,000,000 for making emergency loans. I am informed that this amount plus collections expected to be received on emergency loans already made would enable the Farmers Home Administration to meet the current credit needs of more than 7,000 farmers and ranchers in 39 States.

These people must have loans now if they are to farm this year. Three weeks from now will be too late, Mr. Chairman. For this reason, I ask that this matter be handled as expeditiously as possible.

STATEMENT OF HON. WILLIAM R. ANDERSON, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF TENNESSEE

Mr. Chairman and Members of the Committee, thank you very much for the opportunity of appearing before you. I am one of the sponsors of House Joint Resolution 1228. I joined a number of my colleagues in sponsoring this resolution because I know from personal knowledge that there is a great need for emergency loans in Tennessee as well as in 38 other States where natural disasters have caused a need for agricultural funds which cannot be met by local sources.

Emergency loans are available in 25 Tennessee counties primarily because of severe damage to the 1967 cotton crop as a result of freezing temperatures during the harvest season.

Before emergency loan funds became exhausted about the middle of March, loans had been made to 483 Tennessee farmers in the amount of \$1,242,360 for financing 1968 crop production expenses. At that time there were 127 additional approved applications in Tennessee for which checks could not be issued because of a lack of funds and field personnel of the Farmers Home Administration estimated conservatively that at least 154 other Tennessee farmers would need emergency loans totaling about \$400,000.

These people, like many, many more in other States cannot farm this year unless they receive emergency loans. And like those in other States, they must receive loans almost immediately if they are to continue farming because a few weeks from now would be too late.

Because of the urgency of the situation, the co-authors of this resolution, including myself, attempted to determine the most practical method of providing additional funds with the least delay.

Mr. Chairman, I think we have succeeded in this regard because House Joint Resolution 1228 would authorize and direct the Commodity Credit Corporation to advance \$30,000,000 to the Emergency Credit Revolving Fund for use in making emergency loans. The resolution provides also that the Commodity Credit Corporation would be reimbursed out of a subsequent appropriation.

Mr. Chairman, I cannot emphasize too strongly the importance of this resolution to approximately 7,000 farmers in 39 States, including about 300 in Tennessee, who are in areas hit by natural disasters and who are unable to continue farming without the assistance of emergency loans. For example, just recently severe flash floods hit a three county area in my Congressional District.

Many farmers have been hit hard by natural disasters. They are desperate. Unless we enact this resolution immediately, or something equally effective, their last remaining hope will disappear.

Finally, Mr. Chairman, I want to point out that in sponsoring this resolution we are not thinking of grants to farmers. Instead, we are speaking of loans which will be repaid within reasonable periods if normal conditions prevail. The Farmers Home Administration's record in making emergency loans supports this position. Loans totaling approximately \$1 billion have been made since the beginning of this program and losses have been less than two percent of the amount loaned. We have sponsored this resolution on this basis and we urge your favorable consideration as soon as possible.

Thank you, Mr. Chairman. I appreciate the opportunity of appearing before you on this important matter.

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**STATEMENT OF HON. RAY BLANTON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TENNESSEE**

Mr. Chairman, and members of the Committee, my name is Ray Blanton, and I am Representative in Congress for the Seventh District of Tennessee.

I wish to urge your favorable consideration for House Joint Resolution 1232, which I am privileged to co-sponsor.

I believe Mr. Hathaway and other colleagues who have testified before me have given you an excellent nation-wide survey of the problem this legislation seeks to remedy. For my part, I would like to devote special attention to the problem we are faced with in my particular region.

Of the eleven counties I represent, ten of them are predominately rural areas. Agriculture is the number one industry, the small independent farmer is the rule, and cotton is the chief cash crop.

This Western Tennessee region has for the past two years been subjected to some of the severest weather conditions in many decades. Late freezes, unusually heavy spring rains, and long periods of summer droughts have virtually ruined cotton and other crops in these counties. Last year, for example, the cotton crop in West Tennessee and the Mid-South Region, which includes Arkansas and Mississippi, was the smallest since 1895.

There are 25 counties in Tennessee designated disaster areas for purposes of Farmers Home Administration emergency loans, I understand that across the United States, there are 1,326 such counties in 39 States.

A total of 18,540 emergency loans have been made in these 39 States, amounting to more than \$89.4 million, up to March 29 of this year. The applications of 1,629 additional farmers are pending in the finance office of the Farmers Home Administration, awaiting adequate funds for the preparation of loan checks. On March 29th, there were 2,571 other farmers applying for emergency loans, and these applications were being processed in the field offices. These field offices estimate collectively that more than 6,000 additional applications will be forthcoming for this crop year.

This unusually large number of applications from farmers hit hard by severe climate conditions over the past year—and the past two years in my district—makes it clear that unless we have additional funds authorized, many thousands of farmers, and especially the small farmer, will be unable to farm this year because of a lack of credit.

The legislation you are considering before this Committee authorizes the Commodity Credit Corporation to make available \$30 million to the Farmers Home Administration for use in making emergency loans. It provides that the Commodity Credit Corporation will be reimbursed this amount plus interest out of future appropriations to the Emergency Credit Revolving Fund.

Because of the urgency and time factor involved, this manner of pumping new funds into the agency is perhaps the most feasible one we have.

Congress can not change, alter or predict weather conditions. And while I am well aware of the pressing domestic needs affecting millions of people in cities,

as well as other domestic priorities, I hope that Congress will never neglect the needs of a small number like these farmers, who are looking to us as their last hope.

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**STATEMENT OF HON. PETER N. KYROS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MAINE**

The Chairman and Members of the Committee, Thank you for granting me this opportunity to appear before you today. I come to urge favorable action on the resolutions under consideration which would authorize the immediate transfer of \$30,000,000 to the Farmers Home Administration to be used in making emergency loans to eligible farmers and ranchers in designated areas.

Emergency loans are made only in areas where substantial production losses have occurred as a result of a natural disaster which created a need for agricultural credit that could not be met by regular sources, such as banks and production credit associations. Since the emergency loan program was initiated by the enactment of Public Law 38 in 1949, as a standby source of credit, loans have been made for temporary periods in some part of every State in the Union.

It was the intent of the Congress that the Emergency Credit Revolving Fund would have sufficient resources to finance the emergency loan requirements of all eligible farmers and ranchers throughout the country, whenever and wherever a natural disaster has resulted in a need for this type of credit. The purpose of the program has been and still is to help farmers and ranchers in disaster-stricken areas continue their normal operations until they can return to their regular lender.

There is no way of predicting when or where a natural disaster will strike nor the extent of damage it will cause. Therefore, it has been the policy for the Department of Agriculture to consider and process loan applications in the order received, without reserving funds for any area or allocating funds to any state. I believe this is the proper way—in fact—the only way the program could be administered effectively in line with the intent of the Congress, as just stated.

I am informed that there has been no problem, until now, of not having sufficient cash in the Emergency Credit Revolving Fund to provide loans when and to the extent required by eligible applicants. The present need for additional cash to make emergency loans to approximately 7,000 farmers and ranchers throughout the country is due to an unusual demand for this type of credit because of unprecedented major disasters in large farming and livestock areas of the country during the past year.

The transfer of \$30,000,000 from the Commodity Credit Corporation to the Emergency Credit Revolving Fund, to be reimbursed by a subsequent appropriation, will permit making loans to these estimated 7,000 eligible farmers and ranchers in time for them to carry on their normal operations this year.

It is estimated by officials of the Farmers Home Administration that there are at least 500 established farmers in Maine who need and are eligible for emergency loan assistance to finance this year's operations. If the loan funds are not provided, most of them will either be forced to quit farming altogether or so reduce their production that they cannot expect to meet their family living expenses and other obligations.

The situation is critical for these families. We should help keep them on the farms, Mr. Chairman. That's all they know how to do for a living, and with just a little help now, we can save them the worry, despair and financial crisis they face unless help is provided. The time is now for farmers. I strongly urge approval of the resolutions before the Committee to provide the funds needed for emergency loans this year. Thank you.

**The CHAIRMAN.** Are there any questions?

**Mr. HATHAWAY.** I have a telegram from Mr. H. E. Bryant, executive vice president, Maine Potato Council, urging support by the committee for the transfer of \$30 million from Commodity Credit Corporation to the Farmers Home Administration Emergency Fund. I ask that it be made a part of the record.

**The CHAIRMAN.** Without objection, it will be made a part of the record.

(The telegram referred to follows:)

PRESQUE ISLE, MAINE, April 26, 1968.

Hon. WILLIAM D. HATHAWAY,  
U.S. House of Representatives,  
Washington, D.C.:

Urge your support for the proposal to transfer \$30 million from Commodity Credit Corp. to the FHA Emergency Revolving Fund. This emergency fund program will be of vital importance to this industry this spring.

H. E. BRYANT,  
*Executive Vice President, Maine Potato Council.*

The CHAIRMAN. Are there any questions of Mr. Hathaway?

Mr. O'Neal?

Mr. O'NEAL. You said that because of the disaster that you had to go to the diversion program. What did you refer to there?

Mr. HATHAWAY. I mean that was an additional factor this year. The price of potatoes this spring has been very poor, and in order for them to improve the market, the diversion program was instituted, I believe the first of March, whereby the Government paid 75 cents a hundred-weight for potatoes that were diverted into starch, into livestock feed. That price dropped down to 40 cents, now. We hope to continue that. That has helped the market some but not enough.

Mr. O'NEAL. Thank you. That is all, Mr. Chairman.

The CHAIRMAN. May I ask a question off the record?

(Discussion was had outside the record.)

The CHAIRMAN. Back on the record.

Mr. Goodling?

Mr. GOODLING. In your opinion, would this resolution be subject to a point of order? Isn't this committee in a sense appropriating money?

The CHAIRMAN. No; I do not believe it is. It is not appropriating anything out of the Treasury. This is merely a transfer of funds within the Department of Agriculture. I think there is a distinction between the transfer of funds within a department and an appropriation out of the Treasury.

Mr. GOODLING. The Commodity Credit Corporation in all probability would go to the Treasury for this money.

My question is: How is the Appropriations Committee going to react to this?

The CHAIRMAN. There have been resolutions, at least similar to these, that have been passed by various committees in the past. I cannot give you an assurance that they will not raise some question about this, but my judgment would be that they would not.

Are there any further questions?

If not, we are very much obliged to you, Mr. Hathaway.

Mr. HATHAWAY. Thank you very much.

The CHAIRMAN. I believe that Mr. Long wants to just file a statement. We will be glad to hear from you now, Mr. Long.

#### **STATEMENT OF HON. SPEEDY O. LONG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA**

Mr. LONG. Mr. Chairman and gentlemen of the committee, I have a prepared statement which I have made available to the committee and the members. I should desire to file it for the record.

The CHAIRMAN. We will be glad to make it a part of the record.

(The prepared statement submitted by Mr. Long reads in full as follows:)

**STATEMENT OF HON. SPEEDY O. LONG, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF LOUISIANA**

Mr. Chairman and members of the committee, I am very pleased to have this opportunity to appear before this distinguished Committee today in support of H.J. Res. 1227, H.J. Res. 1228, and other identical bills, one of which I was honored to introduce, namely, H.J. Res 1237, which provide for a transfer of \$30 million from the Commodity Credit Corporation to the Emergency Credit Revolving Fund of the Farmers Home Administration to restore credit to farmers and ranchers who have been subjected to the financial losses inherent in natural disasters.

The need for this emergency credit cannot be disputed. It has been well documented in such statements as that submitted by the Department of Agriculture when it recommended enactment of this legislation. Nor can the advantages to the public interest in this measure be denied, because we only have to take a brief look at the average income of farmers over the past few years and compare it with the increasing costs of food to the consumer to arrive at the inescapable conclusion that we must act to support a strong and viable American agricultural industry.

Furthermore, I believe there is also a great need for the Congress to act to salvage many of the standard, time-tested economic programs undertaken by the Federal Government which are presently threatened with destruction by the gradual erosion from elements in this Country more interested in experimentation and fiscal innovation. The sad fact is that with each experiment and innovation, some small farmer or some small businessman is forced out of business. The programs of the Farmers Home Administration have been tested and proven for many years. The benefits derived from these programs are unquestioned. I think we should act to give the Department of Agriculture the financial strength to make the Farmers Home Administration effective.

Aside from its fiscal advantages, the proposed bills contain the highest humanitarian impulses. And while the Congress must act with fiscal responsibility, I pray that the time never comes when we cannot consider the simple problems of suffering humanity.

The fact is that this legislation does not call for any basic change in agricultural policy. It merely provides for the funds to carry out the intentions of the law with respect to credit for farmers suffering financial loss from natural causes. The bills call for a simple and safe financial transaction, and I call for their approval and final passage.

Mr. LONG. I would like to make an additional statement.

I do believe that this is a reasonable request made by the Department. It is urgently needed. And I would request and urge your favorable consideration of this resolution.

The CHAIRMAN. Thank you very much. We appreciate your attendance and we appreciate your waiting for us.

Are there any questions of Mr. Long?

Mr. Sisk was due to be here about an hour ago and is not here.

And there seems to be no other Member of Congress present. I do not see any.

Do any of the sponsors of the resolution on the committee want to say anything in behalf of the resolution?

Mr. DE LA GARZA. I move that we go into executive session.

The CHAIRMAN. Does anyone else wish to submit a statement?

Mr. ZWACH. I would like to make a statement for the record.

**STATEMENT OF HON. JOHN M. ZWACH, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF MINNESOTA**

**Mr. ZWACH.** Mr. Chairman, I joined with my colleague from Maine as a sponsor of this measure to assist with a very important and serious farm credit problem.

Rising costs for fertilizer, machinery, taxes, and labor has resulted in an ever-increasing need for additional funds by farmers. Land values have increased also, and farmers have been forced to mortgage or renew mortgages for the additional cash.

However, this route for increased capitalization can be pursued only so far until the increased credit demand exhausts loanable money or the interest rate becomes prohibitive and forecloses use of this method. We have arrived at that point where both of these factors are present.

This resolution, while not directly aiding in the solution of the immediate credit needs of my Minnesota farmers, because the type of disaster that we are experiencing does not arise from natural calamities but rather from protracted periods of low-farm income, will be helpful in that fewer FHA loans will need to be held in reserve for "emergencies."

I am informed by the Department of Agriculture that as of April 15, a total of 34 States had exhausted all of the loaning funds. Minnesota is one of these 34 States. It also is true that a sum of \$25 million is included in the urgent supplemental appropriations bill for FHA, but as you know, this bill is tied up in the other body awaiting conference because of other matters in the bill.

I have received letters from a rural banker in Benson, one from Appleton, and several letters from farmers, all urging prompt action to provide additional funding for the Farmers Home Admiuistration.

At the same time, this emergency request for a transfer of funds will have a beneficial effect upon all of agriculture.

I urge your support in passing this legislation.

**The CHAIRMAN.** Mr. Price?

**Mr. PRICE.** I should like to make a statement for the record.

**STATEMENT OF HON. BOB PRICE, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF TEXAS**

**Mr. PRICE.** Mr. Chairman, as the cost of living continues to rise, workers in major industries demand and usually receive wage increases to match. Most everyone, it seems, manages to add higher wages and other costs into the price of goods and services we buy. Most everyone, that is, except the farmer. Net farm income for 1967 was actually down from the year before by \$1.9 billion. Farm income statistics published by the U.S. Department of Agriculture in February show that realized net farm income last year declined from \$16.4 billion to \$14.5 billion, while farm production expenses increased \$1.1 billion, and cash receipts from farm marketings declined from \$16.4 billion to \$14.5 billion. That represents a drop in realized net farm income of 11.5 percent in 1 year.

What other industry could survive a drop of 11.5 percent in income in times like these? And the only way many farmers and ranchers have survived is by going deeper into debt. In fact, farm debt has increased by \$20 billion during the past 6 years—up by 90 percent.

Interest rates at record highs jumped carrying charges on borrowed money by \$1.2 billion. This story could go on and on, real estate taxes up and up, a 31-percent increase in production costs since 1960, and so forth.

I believe Congress can do better than has been done to assist some 10,000 American farmers and ranchers in this financial crisis. I urge my colleagues to support legislation calling for the transfer of \$30 million as a loan from the Commodity Credit Corporation to the FHA Emergency Credit Revolving Fund.

I am sure you all realize the necessity to immediately replenish the FHA funds which have been depleted by many of the same disasters which have brought so many farmers to their current plight.

Many farmers will be forced to leave the farms if they are unable to rely on the FHA to help them when they need agricultural credit.

The CHAIRMAN. If there are no further comments on these measures, Mr. de la Garza has moved that we go into an executive session and then come back for the remainder of this morning's agenda, which is another bill.

If there are further statements of Congressmen that have been prepared but have not been submitted or received, they will, without objection, be made a part of the record at this point.

(The following statements were submitted to the committee:)

**STATEMENT OF HON. B. F. SISK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. Chairman, I appreciate the opportunity you have given me to speak in support of House Joint Resolution 1228. I was glad to join a number of my colleagues in sponsoring this resolution because it is designed to provide funds for making available emergency loans.

The Farmers Home Administration has a good record of assisting farmers and I want to comment briefly on FHA's emergency loan program.

The program was activated by the Secretary of Agriculture so that where natural disasters have caused so much damage that farmers generally cannot get enough credit to meet the next year's operating expenses, FHA could provide assistance. The program has provided the credit required for more than 300,000 farmers to continue farming since April 6, 1949. This is the program, as you know, Mr. Chairman, under which the Farmers Home Administration has worked so closely and so effectively with farmers following the occurrence of natural disasters that losses since the inception of the program have been less than two percent of the amount loaned.

Loans have been available on a standby basis year by year to help distressed farmers in areas hit by natural disasters. Today, however, this program is not in position to provide additional assistance to farmers because cash assets of the Emergency Credit Revolving Fund became exhausted in March. This was a result of unprecedented demand for emergency loans this year caused by a series of natural disasters in separated areas. I am informed that 1,326 counties in 39 States are now designated as emergency loan areas. This unprecedented demand resulted in 19,389 loans totaling more than \$90,000,000 being made before the loan funds were exhausted. I am informed that applications have been approved for 2,253 other farmers for whom checks cannot be issued. Field personnel of the Farmers Home Administration estimate that 5,500 other farmers will need loans totaling about \$25,000,000.

The situation in California is that 154 loans have been made totaling \$1,965,-865; there are 60 applications totaling \$1,020,000 pending in field offices; and it is estimated that at least 57 additional farmers will need emergency loans.

It is clear to us as sponsors of House Joint Resolution 1228 that at least 7,000 farmers and ranchers in different areas of the Country will be unable to farm this year unless they can obtain emergency loans. These farmers are unable to obtain loans from other sources. This resolution would provide the necessary funds for meeting these needs.

Mr. Chairman, this is a very serious matter. These 7,000 farmers and ranchers and their families are desperate. They are anxiously awaiting your committee's action here today. In their behalf, Mr. Chairman, I urge your most serious consideration.

**STATEMENT OF HON. FRANK E. EVANS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF COLORADO**

Mr. Chairman, as a result of continuing natural disasters as well as growing replacement costs in farm facilities and equipment, the disaster loan funds have been consistently in a state of exhaustion.

It is this same combination which has repeatedly created crisis situations for my District, the Third of Colorado, as well as many others.

Already this Spring, less than a month ago, extended drought conditions for many Colorado counties, including Baca, Cheyenne, Kiowa, Lincoln, Prowers, and Bent, set the stage for such a disaster. In this case a strong storm moved out of the Rockies. While portions of the storm carrying moisture missed the drought area, extremely high winds did hit this region.

Traffic was halted on highways by reduced visibility as clouds of dust, dirt and even debris from fields floated through the air. This same area, portions of which have had one wheat crop in six years, was hard hit again.

My point is this; six years ago direct costs involved in seeding one acre of wheatland amounted to \$13.55. Direct cost of reseeding that acre would be twice that amount.

In 1967, when disaster hit, it was \$18.20 in direct costs to seed an acre and twice that to reseed. This is an increase of 34% and hardly anyone would claim the farmer is realizing even a small percent increase in his direct income let alone anything like the 34% increase in costs.

As we all know, farmers have little or no control over either the prices they pay for goods, materials, equipment, seed and other essentials or of the price they receive for their products. The squeeze has placed growing numbers of farmers in the, "out of business" category. Many have been existing for years on the margin created by increasing land valuations.

Living so precariously in such large numbers, the farmer as we know him can be wiped out overnight by natural disaster.

With replacement costs so high, financing so extended and, because of marketing conditions, probable investment return chances so low, the farmer cannot look to the usual, normal financial institutions in time of emergency need.

We or, for that matter the world, cannot run the risk of losing large numbers of the very people who play such a vital role.

Without these disaster loan funds, in this instance depleted funds, our farmers in all areas of the United States face overnight ruin in being forced out of business.

I strongly recommend and urge this Committee to look favorably upon the resolution authorizing temporary funding of the Emergency Credit Revolving Fund in the amount of \$30,000,000.

The CHAIRMAN. We will now proceed into executive session.

(Whereupon, at 10:55 a.m., the committee retired into executive session.)





LEGISLATIVE HISTORY

Public Law 90-328

S. J. Res. 168

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## INDEX AND SUMMARY OF S. J. RES. 168

Apr. 10, 1968 Rep. De La Garza introduced H. J. Res 1227 which was referred to House Agriculture Committee. Print of bill as introduced.

Rep. Hathaway introduced and discussed H. J. Res. 1228 which was referred to House Agriculture Committee. Print of resolution and remarks of author.

Apr. 30, 1968 House committee voted to report H. J. Res. 1227.

May 1, 1968 House committee reported H. J. Res. 1227 without amendment. H. Rept. 1345. Print of resolution and report.

May 3, 1968 Sen. Church introduced S. J. Res. 168 which was referred to Senate Agriculture and Forestry Committee. Print of resolution as introduced.

May 14, 1968 House Rules Committee reported a resolution for consideration of H. J. Res. 1227. H. Res. 1173, H. Rept. 1389. Print of resolution and report.

May 15, 1968 Senate committee reported S. J. Res. 168 without amendment. S. Rept. 1127. Print of resolution and report.

May 17, 1968 Senate passed over S. J. Res. 168.

May 20, 1968 House passed over H. J. Res. 1227.  
Senate passed S. J. Res. 168 without amendment.

May 23, 1968 House passed S. J. Res. 168 without amendment. H. J. Res. 1227 was tabled due to passage of S. J. Res. 168.

June 3, 1968 Approved: Public Law 90- 328



DIGEST OF PUBLIC LAW 90-328

EMERGENCY CREDIT REVOLVING FUND AUTHORIZATION. Directs the Commodity Credit Corporation to advance up to \$30 million to the emergency credit revolving fund to be later repaid with interest out of appropriations to the fund.







IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1968

MR. DE LA GARZA introduced the following joint resolution; which was referred to the Committee on Agriculture

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**JOINT RESOLUTION**

To authorize the temporary funding of the Emergency Credit Revolving Fund.

1       *Resolved by the Senate and House of Representatives*  
2    *of the United States of America in Congress assembled,*  
3    That the Commodity Credit Corporation is hereby author-  
4    ized and directed to make advances to the Emergency Credit  
5    Revolving Fund (7 U.S.C. 1966) in a total amount not to  
6    exceed \$30,000,000. Such advances together with interest  
7    at a rate which will compensate Commodity Credit Corpora-  
8    tion for its cost of money during the period in which the ad-  
9    vance was outstanding shall be reimbursed out of appropria-  
10   tions to the fund hereafter made.

90TH CONGRESS  
2d SESSION **H. J. RES. 1227**

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## JOINT RESOLUTION

To authorize the temporary funding of the  
Emergency Credit Revolving Fund.

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By Mr. DE LA GARZA

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APRIL 10, 1968

Referred to the Committee on Agriculture

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1968

Mr. HATHAWAY (for himself, Mr. ANDERSON of Tennessee, Mr. DAVIS of Georgia, Mr. Dow, Mr. GATHINGS, and Mr. SISK) introduced the following joint resolution; which was referred to the Committee on Agriculture

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**JOINT RESOLUTION**

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8    tion for its cost of money during the period in which the  
9    advance was outstanding, shall be reimbursed out of appro-  
10   priations to the fund hereafter made.

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## JOINT RESOLUTION

To authorize the temporary funding of the  
Emergency Credit Revolving Fund.

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By Mr. HATHAWAY, Mr. ANDERSON of Tennessee,  
Mr. DAVIS of Georgia, Mr. DOW, Mr.  
GATHERINGS, and Mr. SISK

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APRIL 10, 1968

Referred to the Committee on Agriculture

Today a majority of teachers themselves believe that they should be active in political elections. Their belief is indicative of a growing awareness that our Nation is a "Government of the people," and that we cannot attain the ideals we seek for ourselves and for future generations of Americans until and unless we participate fully in choosing the men who run our country and shape its destiny.

Thoughtful men everywhere know that education is of paramount importance to the continued strength and vitality of our country and its Government. "Brain-power" is one of our most precious assets for thoughtful and intelligent participation in daily life as well as political activity. The importance of reason has increased enormously in recent years, because the effect of technology and the news media on individual choice is now so great. The ability to see issues clearly and separate fact from editorializing—to think for oneself—is ever more critical.

As members of a profession which has daily contact with the means and processes of educating, the teachers of this country are highly qualified to comment on present educational policies, and if they disagree with them, to encourage new policies through the exercise of their political prerogatives.

Through the active participation of teachers in politics, our Nation will benefit not only from the increased activities of intelligent and informed persons, but it will benefit from the example which they set for their closest contacts—the children of the Nation—who will be the voters of tomorrow.

#### Emergency Loans for Farm Areas

**HON. WILLIAM D. HATHAWAY**

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1968

Mr. HATHAWAY. Mr. Speaker, with so many problems confronting us today I hesitate to report a new emergency which is seriously affecting about 10,000 farmers and ranchers.

These farmers and ranchers are operating in counties which have been designated as emergency loan areas by the Secretary of Agriculture to authorize the Farmers Home Administration to make emergency loans. These counties were designated upon the Secretary's finding that natural disasters had caused a general need for agricultural credit which cannot be met by other sources.

These farmers and ranchers are unable to obtain credit from local banks and production credit associations. They cannot continue farming without credit. They will be forced out of business and off the land unless emergency loans can be made to them. The pathetic fact is that emergency loans cannot be made to them because funds are not available for this purpose.

I learned this during a recent visit to Maine where many farmers told me their applications for emergency loans had been approved but that funds for making these loans are exhausted.

So many farmers contacted me about this that I looked into the matter and found that the Farmers Home Administration had approved emergency loans for 96 Maine farmers in the amount of \$722,160 for which checks could not be written because of inadequate funds. These approved loans are in the finance office of the Farmers Home Administration ready for the preparation of checks if and when funds are available.

I learned also that 250 additional loans in the amount of \$1,911,050 were being processed for Maine farmers in field offices of the Farmers Home Administration and that at least 300 more would require emergency loans to continue farming. This alarmed me because it means that 646 farmers in Maine will be forced off the land unless additional emergency loan funds are made available.

This is a bleak picture—so bleak that on my return to Washington I inquired of the Farmers Home Administration about the loan fund situation nationally.

I was informed that emergency loans are made out of the emergency credit revolving fund and that the revolving fund does not receive annual appropriations. Funds are loaned, collected, and loaned again to established farmers and ranchers who are unable to obtain credit from other sources.

Presently there are 1,326 designated emergency loan counties in 39 States. There has been an unprecedented need for emergency loans this year. This increased need has resulted from—

First. Hurricane Beulah in September of 1967, which, with accompanying floods and tornadoes, did extensive damage to buildings, land, vegetable crops, and livestock in 16 south Texas counties. These counties had already experienced damage to the cotton crop because of a prolonged drought. The drought and other adverse weather conditions prevailed in 178 other Texas counties during 1967.

Second. Freezing temperatures in early November which did extensive damage to the 1967 cotton crop in many counties in Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee. The cotton crop was practically destroyed in most of these counties. Emergency loans are available in 339 counties in these States.

Third. Excessive moisture and freezing temperatures at harvest time in Illinois, Indiana, Iowa, and Ohio which resulted in large volumes of soft corn and seriously interfered with the harvest of corn and soybeans. Many acres were not harvested. In addition, the moisture content of harvested corn is high and prices are greatly depressed. Emergency loans are available in 58 counties in Illinois, 76 counties in Indiana, 40 counties in Iowa, and 53 counties in Ohio.

Fourth. Excessive moisture and freezing temperatures in the early fall of 1967 which seriously interfered with harvesting and damaged the quality of crops in New England, particularly in the potato area of Maine.

Fifth. Heavy snowstorms which hit Arizona and parts of New Mexico between December 11 and 19. These storms did

extensive damage to livestock, buildings, feed, and farm machinery. The greatest damage was to breeding livestock and the livestock increase crop for 1968. Very few ranchers will have any income this year from the sale of livestock increases. Thirteen counties in Arizona and four counties in New Mexico were designated as emergency loan areas because of these storms.

Because of the unusually heavy demand for loans, the revolving fund's cash assets were exhausted by the middle of March. Since that time the Farmers Home Administration has been able to make additional emergency loans only as collections are received. This is not the season of the year for heavy collections on agricultural loans and the amount of emergency loan collections during the remainder of this fiscal year are not expected to even approach meeting the needs of farmers and ranchers who have already applied for loans.

A total of 18,540 emergency loans in the amount of \$89,483,900 had been made through March 29 of this fiscal year. At the same time the applications of 1,629 additional farmers in the amount of \$8,297,970 were pending in the finance office of the Farmers Home Administration awaiting adequate funds for the preparation of loan checks. Also, the applications of 2,571 other farmers were being processed in the field. These applications total \$14,749,380. Farmers Home Administration field personnel estimate that an additional 6,272 farmers will need emergency loans in the amount of \$17,952,650 for this crop year.

It is obvious that additional funds are urgently needed. If additional funds are not provided, approximately 10,000 farmers will be unable to farm this year because of a lack of credit. I think it is important to our national economy that these farmers have an opportunity to continue farming. Therefore, I am today introducing a resolution authorizing the Commodity Credit Corporation to make available \$30,000,000 to the Farmers Home Administration for use in making emergency loans and to provide that the Commodity Credit Corporation will be reimbursed this amount plus interest out of a future appropriation to the Emergency Credit Revolving Fund. I am proceeding in this manner because it is the fastest method for making additional funds available.

The amount of \$30,000,000 plus \$11,000,000 expected to be collected on emergency loans during April, May, and June will be adequate to meet the needs I have described.

The present need for replenishing the emergency credit revolving fund has not been caused by loan losses. This program was initiated on April 6, 1949. Emergency loans have been made to approximately 350,000 farmers and ranchers in the total amount of \$1 billion. Losses have been insignificant—less than 2 percent of the amount loaned.

Mr. Speaker, my proposed resolution deals with the fate of 10,000 farm families. We can make it possible for these families to remain on the land by enacting this resolution—or we can fail to enact it and watch them depart into a very uncertain future. Time is of the essence

in this matter. Loans are needed now for this year's farming. Three weeks from now may be too late.

### Past and Present Wounds

**HON. HUGH SCOTT**

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10, 1968

Mr. SCOTT. Mr. President, as this tragic and sorrowful week draws to a close, I implore my fellow citizens to forgive one another instead of indulging in mutual recrimination. Each of us would do well to ponder the lead editorial from last Sunday's Washington Post. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### PAST AND PRESENT WOUNDS

Now that violence has exploded in the streets there are plenty of white Americans ready to blame the whole Negro community for the offenses of a small minority of looting incendiaries. They have their counterpart in Stokely Carmichael, who indicted the whole white community for the dreadful crime that took the life of Dr. Martin Luther King Jr.

In all great criminal matters it is important to find out who is not guilty as well as to discover who is guilty. The millions of sober, decent, law-abiding and patriotic Negroes of this country are not guilty of the violence in the ghetto. And the millions of sober, decent, law-abiding and patriotic white people who have loved and respected Martin Luther King did not kill him.

We must rise above the racial generalizations that are the first symptoms of racist sickness and prejudice. To the racists in both communities we must repeat Burke's warning: "You cannot indict a whole people."

It is easier to forgive the Negro than it is the white man for this kind of racism. Generations of white discrimination and injustice have fixed in the minds of Negroes an image that will not be erased until long after all the manifestations of racial intolerance have been removed. It is no small price that a people must pay for more than a century of indifference and indignity. We will have to pay it in installments that will be exacted year by year, long after white people have dealt fairly and honorably with the Negro. White people are going to have to be prepared for this long historical interval of probation. Millions of unremembered acts of hate and cruelty and perversity explain this psychology. We must not expect it to disappear, even when the offenses that occasioned it are gone—and they are yet far from banished.

The wounds from this grim past, and the wounds of this grim present, will not be healed by the hates that have been engendered, by dangerous generalizations that put forward racial concepts of guilt, that condemn whole racial communities in their entirety. If ever they are healed it will be by love and not by hate; by love that recognizes individual character and scorns collective blame; by affection that respects the human qualities that are no matter of race or appearance; by a humanity that makes us deal mercifully with weakness, forgivingly with wrongdoing and patiently with the waywardness of all God's children.

What we attempt in this spirit will avail something toward diminishing the wrongs

of past and present; nothing that we undertake without this spirit will succeed.

Let the fearful crime at Memphis and the terrible violence in our streets turn us not to hatred; let them turn us instead toward love and understanding born out of the misery and anguish of the human condition and nurtured by a hope and determination to better the lot of all the family of man so that one day we may look back upon these days as the bad old times before the Nation was reborn.

### Moratorium on Passenger Train Discontinuances

**HON. LEE H. HAMILTON**

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1968

Mr. HAMILTON. Mr. Speaker, the Public Service Commission of Indiana unanimously passed a resolution on March 29 of this year, calling for a halt of train discontinuances until the impact such discontinuances are having on welfare and safety of this country is assessed.

I have on two occasions protested such discontinuances until, at the very least, public hearings were had in the affected areas. Decisions are still to be handed down by the Interstate Commerce Commission on whether to hold hearings. I trust the number of State resolutions calling for this moratorium will make clear that further discontinuances must be investigated.

I include the text of the resolution at this point in the RECORD.

#### RESOLUTION OF THE PUBLIC SERVICE COMMISSION OF INDIANA

Whereas, there have been numerous passenger train discontinuances of recent date; and

Whereas, there are numerous applications for discontinuance of passenger trains now pending before the Interstate Commerce Commission and the various state commissions; and

Whereas, the recent action of the Post Office Department has materially reduced passenger revenue; and

Whereas, the welfare and safety of this country is being materially injured by such discontinuances; and

Whereas, the Public Service Commission of Indiana knows of its own knowledge acquired from several such applications before it and the participation in such hearings before the Interstate Commerce Commission that such facts are true;

Now therefore be it resolved, that the Public Service Commission of Indiana joins its sister states in appealing to Congress to call an immediate moratorium on all train discontinuances and to investigate and determine the impact these discontinuances are having on the welfare and safety of our country including its national defense.

This Resolution adopted by the Commission this twenty-ninth day of March, 1968.

Attest:

G. M. DEVOST,  
Secretary.  
PHILLIP L. BAYT,  
Chairman.  
C. PATRICK CLANCY,  
RICHARD P. STEIN,  
Commissioners.

The Future Belongs to Candidate Who Enlists National Dignity

**HON. HARRY F. BYRD, JR.**

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10, 1968

Mr. BYRD of Virginia. Mr. President, William S. White is one of the Nation's most distinguished and conscientious columnists. His column published in the Washington Post of April 8, discusses the need for a regeneration of our sense of national dignity.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

#### FUTURE BELONGS TO CANDIDATE WHO ENLISTS NATIONAL DIGNITY

In this springtime of crises, of violence, of hatred, and of horror, one thing, at least, is clear amidst the vast and menacing uncertainties of our days. This is that politically the future will belong to that man who may most truly embody a sense of dignity, of restraint, of strength of compassion, and of a calm, firm resolve to restore to this Nation those old and traditional values which we seem so largely to have lost.

For some years now nearly all that has been fashionable has also been sick—sick comedians, sick students, sick politicians, sick demonstrators, and counter-demonstrators, sick books and periodicals and sick TV.

Un-chic, indeed, have been such old-fashioned qualities as patriotism, loyalty, love of family, responsibility in private and public conduct, tolerance toward other men and other ideas, a decent reserve in life—and, yes, religion, too. The truly "in" pulpits have rung not so much with man's obligations to God as with the shrill, mundane socio-political dogmas of political partisans. The very sanctuaries of noble cathedrals have been used more for bitter, nihilistic pseudodramas, for wild, psychedelic so-called music and the gyrations of youthnicks than for the somber, measured and timeless liturgies of our ancient faiths.

But what most of all has been lost, perhaps, is that sense of manners which in the hierarchy of mankind's true values stands next to morals themselves. It is a profound truth, though many have never known it and many more have forgotten it, that neither public nor private morality can long endure without that lesser but still indispensable companion which used to be called good taste.

"Student activists" do not merely defy a lawful military draft, coaxed on by professors publicly advising them on schemes to evade the common obligation of their generation while less privileged boys carry the guns and do the dying. They do not merely close minds and ears to every opinion save their own. Repeatedly also they shout down and even physically menace honorable men bearing heavy burdens—Cabinet officers of the United States, no less, some bearing the scars of an old war against fascism—who seek to offer a contrary view. And all of this, God save the mark, in the universities of a Nation, which can have no reason for being save for the free and decent exchange of ideas.

Some of us are old enough to remember the hoarse, terrifying, mindless roars of Hitler Youth; and though it is a frightful thing to have to say, it must nevertheless be said: A thing not too dissimilar from Hitler Youth has been abroad upon the campuses, and elsewhere, in this country.





*House*

*April 30, 1968*

- 3 -

Received from Treasury a proposed bill to provide for U. S. participation in the facility based on special drawing rights in the International Monetary Fund; to Banking and Currency Committee. p. H3113

9. TRANSPORTATION. Passed without amendment H. R. 15190, to amend the act authorizing an investigation and study to determine a site for the construction of a sea-level canal between the Atlantic and Pacific Oceans, by extending the time for a report for an additional year and by authorizing the expenditure of an additional \$6.5 million. pp. H3080-87

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10. CREDIT. The Agriculture Committee voted to report (but did not actually report) H. J. Res. 1227, to authorize the temporary funding of the Emergency Credit Revolving Fund. p. D371

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11. CREDIT UNIONS. The Banking and Currency Committee voted to report (but did not actually report) H. R. 14907, to amend the Federal Credit Union Act. p. D371  
Rep. Patman inserted a list of provisions of the bill to amend the Federal Credit Union Act. pp. H3112-3

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12. POVERTY. Rep. Jones, Mo., asked for an explanation as to how much money "the so-called poverty program people...can waste in their various experimental policies and programs." p. H3078

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13. FOREIGN TRADE. Rep. Kleppe stated the U.S. cannot "continue to run a balance-of-payment deficit of \$3 to \$4 billion a year, along with a budget deficit of \$20 to \$25 billion" and pointed out that "during March, U.S. exports dropped 11.5 percent below the February level, while imports increased 0.4 percent, resulting in an adverse trade balance of \$157.7 million." p. H3088

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14. TAXATION. Rep. Harrison criticized Treasury's "refusal" to hold at his request field hearings on proposed regulations "that will permanently strip industrial revenue bonds of their tax-exempt status" and inserted copies of the correspondence. pp. H3088-9  
Rep. McClure expressed opposition to the President's proposed tax increase "unless it is coupled with a significant reduction in expenditures." pp. H3110-11

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15. HUNGER. Rep. Waggoner called the report of the Citizens' Board of Inquiry into Hunger and Malnutrition in the U.S. "highly irresponsible" and inserted a Louisiana Dept. of Public Welfare news release critical of the "totally inaccurate" report. pp. H3098-99

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16. URBAN INSTITUTE. Rep. Patman commended the establishment of the Urban Institute and inserted a prospectus for the Institute. pp. H3111-12

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17. LEGISLATIVE PROGRAM. The "Daily Digest" states that the House will on Wed. consider the USDA appropriation bill. p. D371

SENATE

18. CONSERVATION. Passed with amendments S. 1401, to amend title I of the Land and Water Conservation Fund Act of 1965. Agreed to an amendment by Sen. Jackson which would prohibit the exchange for privately owned lands of certain federally owned lands harvested under a sustained-yield program; and an amendment by Sen. Jackson of a conforming nature respecting authorizing of funds to finance the legislation which would keep the land and water conservation fund intact as it is now applicable. pp. S4665, S4670-5
19. PEACE CORPS. Passed without amendment S. 2914, to authorize further amendment of the Peace Corps Act. The bill will authorize \$112,800,000 for fiscal year 1969. pp. S4675-6
20. INTERNATIONAL EXHIBITIONS. By unanimous consent of 74 yeas, agreed to the resolution of ratification of the Convention relating to International Exhibitions. pp. S4665-70, S4673
21. HUNGER. Sen. Yarborough was added as cosponsor of S. Res. 281, to establish a committee to study unmet basic needs of U.S. citizens. He also called for "immediate action" by Government agencies with responsibility in this area. pp. S4631-2
22. HOUSING LOANS. Agreed to the House amendments to the Senate amendments to H. R. 10477, the Veterans' Administration housing law amendment (pp. S4682-3). In earlier action, the House concurred in Senate amendments, with amendments (pp. H3075-77). For provisions of interest to this Department, see Digest 65. This bill will now be sent to the President.
23. VETERANS. Sen. Randolph was added as a cosponsor of S. 3349 and S. 3350, to give cold war GI's equal educational opportunities with those granted to veterans of the Korean conflict. p. S4638
24. TRUST TERRITORIES. Sen. Burdick announced that a subcommittee of the Interior and Insular Affairs Committee will hold a hearing on Wed., May 8, on several bills relating to the Trust Territory of the Pacific Islands. p. S4640
25. ELECTRIFICATION. Sen. Metcalf inserted several comments from utility commissioners describing difficulties encountered in trying to effectively regulate utilities within their jurisdiction and provide protection for the consumer. pp. S4644-9
26. REPORT. Sen. Hayden inserted a report of the Agriculture and Forestry Committee concerning money utilized by that committee in connection with foreign travel. p. S4649
27. GRAZING LAND. Sen. Talmadge commended a 6-year USDA test at the University of Georgia which has increased the income potential of tree-raising farmers by combining forested ranges with grazing lands. p. S4651





# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued May 2, 1968  
For actions of May 1, 1968  
90th-2nd; No. 73

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HIGHLIGHTS: House passed agricultural appropriation bill. House committee reported grain-standards and emergency-loans measures. Rep. Mahon inserted Appropriations Committee resolution recommending fiscal policy restraints.

### HOUSE

1. AGRICULTURAL APPROPRIATION BILL. Passed, 318-70, with amendments this bill, H. R. 16913. pp. H3119-74

Agreed to the following amendments:

By Rep. Bow, by a vote of 99 to 87, to limit expenditures to \$6,524,470,897 except certain CCC expenditures required by law. pp. H3170-1

By Rep. Broihill, Va., by a vote of 86 to 60, to prohibit use of these funds to pay the salary of any Federal employee convicted of inciting, promoting, or carrying on a riot, or any illegal group activity resulting in material damage to property or injury to persons. pp. H3171-3

Rejected the following amendments:

By Rep. Kyl, to limit 1969 payments under the Cropland Adjustment Program to \$55,500,000. p. H3150

By Rep. Findley, by a vote of 79 to 129, to limit payments under the various ASCS programs to not more than \$10,000 for each recipient. pp. H3151-68

By Rep. Matsunaga, to exempt sugar payments from the Findley amendment. pp. H3167-8

By Rep. Broihill, by a vote of 37 to 72, a more comprehensive version of his anti-riot amendment which was later agreed to. pp. H3168-70

2. GRAIN STANDARDS. The Agriculture Committee reported with amendment H. R. 15794, to revise the Grain Standards Act (H. Rept. 1344). p. H3213

3. EMERGENCY LOANS. The Agriculture Committee reported without amendment H. J. Res. 1227, to authorize the temporary funding of the emergency credit revolving fund (H. Rept. 1345). p. H3213

4. MANPOWER. Both Houses received the President's annual report on the manpower program (H. Doc. 302). pp. H3118-9, S4691

5. EDUCATION. Agreed to a resolution for consideration of H. R. 16729, to amend legislation regarding higher education. pp. H3174-7

6. ECONOMIC SITUATION. Rep. Patman inserted and commended an article criticizing the Federal Reserve Chairman's recent statement about the economic situation. pp. H3209-10

7. EXPORT-IMPORT BANK. Received from the Comptroller General a report on the audit of the Export Import Bank (H. Doc. 303). p. H3213

8. BUILDINGS. Received from the State Department a proposed bill to authorize additional appropriations for foreign buildings; to Foreign Affairs Committee. p. H3213

Received from the Labor Department a proposed bill to apply prevailing wage protection in accordance with the Davis-Bacon Act to construction or reconstruction of buildings to be leased for public purposes; to Public Works Committee. p. H3213

9. STATION TRANSFERS. Received from the Comptroller General a report on administration of allowances for Federal employees upon permanent change of official station. p. H3213

10. LEGISLATIVE PROGRAM. Rep. Albert announced that the higher-education and NASA-authorization bills will be considered today, May 2. p. H3118

## TEMPORARY FUNDING OF THE EMERGENCY CREDIT REVOLVING FUND

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MAY 1, 1968.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. POAGE, from the Committee on Agriculture,  
submitted the following

### R E P O R T

[To accompany H.J. Res. 1227]

The Committee on Agriculture, to whom was referred the joint resolution (H.J. Res. 1227) to authorize the temporary funding of the emergency credit revolving fund having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

#### PURPOSE

The purpose of this bill is to authorize the Commodity Credit Corporation to make advances to the emergency credit revolving fund (7 U.S.C. 1966) in an amount not to exceed \$30 million which sums will be used to make emergency disaster loans to established farmers and ranchers who are unable to obtain credit from other sources. The applications of more than 2,200 farmers and ranchers totaling nearly \$14 million were pending on April 12, 1968, awaiting sufficient funds. It is estimated that another 5,500 farmers and ranchers need emergency loans of almost \$25 million. Normal sources of credit are not sufficient nor of long enough duration and low enough interest rates to meet the needs and demands arising from tornadoes, hurricanes, drought, excessive moisture, and freezing temperatures. The emergency credit revolving fund has been exhausted as a consequence.

#### NEED

Immediate action is required on this bill for the reason that farmers and ranchers are now in the process of planting their 1968 crops. To delay action until an annual appropriation could meet the needs of

these people would mean many of them would be deprived of the opportunity to earn their livelihood in 1968. Credit is not available to them from conventional sources on terms long enough to harvest a crop and get it to market. The planting season is sufficiently advanced that a delay of 60 days would be too late for the majority who make use of the funds, if provided in fiscal 1969.

#### CONSTRUCTION AND INTENT

It is not the purpose nor the intent of this bill to supplant regular appropriation processes but rather to fill an interim need. When the regular annual appropriation for fiscal year 1969 is enacted, it is intended that the Commodity Credit Corporation shall be fully reimbursed from appropriations to the emergency credit revolving fund.

#### ~~total cost~~

The Department of Agriculture and the committee anticipate that this bill will cost the difference between the interest on \$30 million at cost of money to the Commodity Credit Corporation and the 3 percent interest paid to Farmers Home Administration on emergency loans, approximately \$750,000 per annum.

#### HEARINGS

The committee held hearings on this bill and similar bills on April 30, 1968. No opposition to the bill was expressed.

#### DEPARTMENTAL POSITION

The following statement of Howard Bertsch, Administrator, Farmers Home Administration, U.S. Department of Agriculture, indicates approval of the proposed legislation. Mr. Bertsch outlines the Department's position as follows:

Mr. Chairman and members of the committee, we are glad to have this opportunity to present the Department's position on House Joint Resolutions 1227 and 1228, identical resolutions to authorize a temporary funding of the emergency credit revolving fund.

The Department recommends enactment of the proposed resolutions.

House Joint Resolutions 1227 and 1228 would authorize and direct the Commodity Credit Corporation to make advances to the emergency credit revolving fund in a total amount not to exceed \$30 million. The resolutions provide also that the Commodity Credit Corporation would be reimbursed with interest out of a subsequent appropriation.

We assume the proposal to borrow from the Commodity Credit Corporation was devised to save time and time is of the essence. Unless these loans are made almost at once they will be too late.

As you know, emergency loans are made by the Farmers Home Administration in areas designated for this purpose by the Secretary of Agriculture. Designations are based on findings by the Secretary that a natural disaster has caused a general need for agricultural credit which cannot be met by local sources.

These loans are made out of the emergency credit revolving fund. The revolving fund does not receive annual appropriations. Instead, funds are loaned, collected, and loaned again to established farmers and ranchers who are unable to obtain credit from other sources.

A total of 19,389 emergency loans in the amount of \$92,384,489 had been made through April 12. The applications of 2,253 additional farmers and ranchers totaling \$13,931,000 were pending in the Finance Office of the Farmers Home Administration on April 12 awaiting sufficient funds for the preparation of checks. Also, it is estimated that 5,500 other farmers will need emergency loans totaling approximately \$25 million. This shows a current cash need of \$38,931,000. The amount which would be provided by the proposed resolutions plus amounts to be collected during the remainder of this fiscal year should be adequate to meet this need.

There are 1,326 presently designated emergency loan counties in 39 States.

The unprecedented need for these loans this year has resulted from—

(1) Hurricane Beulah in September 1967, which, with accompanying floods and tornadoes, did extensive damage to buildings, land, vegetable crops, and livestock in 16 south Texas counties. These counties had already experienced damage to the cotton crop because of a prolonged drought. The drought and other adverse weather conditions prevailed in 178 other Texas counties during 1967.

(2) Freezing temperatures in early November which did extensive damage to the 1967 cotton crop in 339 counties in Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee. The cotton crop was practically destroyed in most of these counties.

(3) Excessive moisture and freezing temperatures at harvest-time in Illinois, Indiana, Iowa, and Ohio which resulted in large volumes of soft corn and seriously interfered with the harvest of corn and soybeans. Many acres were not harvested. In addition, the moisture content of harvested corn was high and prices were greatly depressed. Affected were 58 counties in Illinois, 76 counties in Indiana, 40 counties in Iowa, and 53 counties in Ohio.

(4) Excessive moisture and freezing temperatures in the early fall of 1967 which seriously interfered with harvesting and damaged the quality of crops in New England, particularly in the potato area of Maine.

(5) Heavy snowstorms which hit Arizona and parts of New Mexico between December 11 and 19. These storms did extensive damage to livestock, buildings, feed, and farm machinery. The greatest damage was to breeding livestock and the livestock increase for 1968. Very few ranchers will have any income this year from the sale of livestock increase. Thirteen counties in Arizona and four counties in New Mexico were designated as emergency loan areas because of these storms.

Mr. Chairman, the shortage of loan funds has not resulted from loan losses. Emergency loans totaling approximately \$1 billion have been made out of the revolving fund since April 6, 1949. The collection

record is 95.9 percent of maturities and losses have been less than 2 percent of the amount loaned. Regardless of the reason, however, the shortage of loan funds poses a serious and critical situation for many farmers who are unable to obtain credit from other sources. Many will not be able to farm this year unless additional funds are provided. There are more than 7,000 farm families who are anxiously awaiting the outcome of these resolutions. They are anxious because if funds are not provided within the foreseeable future they will be forced to leave the land and attempt some other way of life.



90TH CONGRESS  
2D SESSION

# Union Calendar No. 537

# H. J. RES. 1227

[Report No. 1345]

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 1968

MR. DE LA GARZA introduced the following joint resolution; which was referred to the Committee on Agriculture

MAY 1, 1968

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

---

## JOINT RESOLUTION

To authorize the temporary funding of the Emergency Credit Revolving Fund.

1       *Resolved by the Senate and House of Representatives*  
2    *of the United States of America in Congress assembled,*  
3    That the Commodity Credit Corporation is hereby author-  
4    ized and directed to make advances to the Emergency Credit  
5    Revolving Fund (7 U.S.C. 1966) in a total amount not to  
6    exceed \$30,000,000. Such advances together with interest  
7    at a rate which will compensate Commodity Credit Corpora-  
8    tion for its cost of money during the period in which the ad-  
9    vance was outstanding shall be reimbursed out of appropria-  
10   tions to the fund hereafter made.

90TH CONGRESS  
2D SESSION

**H. J. RES. 1227**

[Report No. 1345]

---

**JOINT RESOLUTION**

To authorize the temporary funding of the  
Emergency Credit Revolving Fund.

---

By Mr. DE LA GARZA

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APRIL 10, 1968

Referred to the Committee on Agriculture

MAY 1, 1968

Committed to the Committee of the Whole House on  
the State of the Union and ordered to be printed





IN THE SENATE OF THE UNITED STATES

MAY 3, 1968

Mr. CHURCH (for himself, Mr. McGOVERN, Mr. MANSFIELD, and Mr. METCALF) introduced the following joint resolution; which was read twice and referred to the Committee on Agriculture and Forestry

---

**JOINT RESOLUTION**

To authorize the temporary funding of the Emergency Credit Revolving Fund.

1       *Resolved by the Senate and House of Representatives*  
2    *of the United States of America in Congress assembled,*  
3    That the Commodity Credit Corporation is hereby author-  
4    ized and directed to make advances to the Emergency Credit  
5    Revolving Fund (7 U.S.C. 1966) in a total amount not to  
6    exceed \$30,000,000. Such advances together with interest  
7    at a rate which will compensate Commodity Credit Corpo-  
8    ration for its cost of money during the period in which the  
9    advance was outstanding shall be reimbursed out of appro-  
10   priations to the fund hereafter made.

90TH CONGRESS  
2D SESSION

**S. J. RES. 168**

**JOINT RESOLUTION**

To authorize the temporary funding of the  
Emergency Credit Revolving Fund.

By Mr. CHURCH, Mr. McGOVERN, Mr. MANS-  
FIELD, and Mr. METCALF

MAY 3, 1968

Read twice and referred to the Committee on  
Agriculture and Forestry





# *DIGEST of Congressional Proceedings*

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D.C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U.S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued  
For actions of  
May 15, 1968  
May 14, 1968  
90th-2nd; No. 82

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HIGHLIGHTS: House passed Public Law 480 bill. House Rules Committee cleared grain-standards, emergency loans and emergency-credit revolving fund bills. Senate sub-committee approved bills on Kerr Memorial, Cradle of Forestry, and watershed construction. Rep. St. Onge introduced and discussed egg marketing bill.

### HOUSE

1. PUBLIC LAW 480. Passed S. 2986, to extend the Agricultural Trade Development and Assistance Act of 1954 (pp. H3715-16, H3721-39), with an amendment to substitute the language of H. R. 16165, which was passed earlier with the following amendments: By Rep. Findley, that "the Commodity Credit Corporation shall not finance the sale and export of agricultural commodities under this Act for any exporter which in the 6 months immediately preceding the application for such financing has engaged in any sales, trade, or commerce with North Vietnam, or with any resident thereof..." (pp. H3730-32), and by Rep. Steiger, Wisc.,

370-21, to "provide that the ratio of the value of dairy products exported under this act to the value of all agricultural products so exported is approximately the same as the ratio of the value of dairy products produced in the United States to the value of all agricultural products produced in the United States" (pp. H3734-38). Rejected an amendment by Rep. Findley to protect the interests of small businesses participating under the act (pp. H3732-4). For other provisions see Digest 70. H. R. 16165 was tabled.

2. GRAINS; POULTRY; CREDIT; CONSERVATION. The Rules Committee reported resolutions for the consideration of H. R. 15794, to provide for U. S. standards and a national inspection system for grain; H. R. 16363, to clarify and otherwise amend the Poultry Products Inspection Act; H. J. Res. 1227, to authorize the temporary funding of the emergency credit revolving fund; and H. R. 8578, to amend the Land and Water Conservation Fund Act. p. H3769
3. TAXATION; EXPENDITURES. Rep. Joelson inserted a copy of the letter he sent the President asking for a list of the programs to be included in the proposed \$6 billion reduction to assist him in determining his vote on the surcharge-expenditure cut conference report. p. H3715  
Rep. Vanik stated he hoped the President "will not capitulate to the pressures and take a surtax on the basis of a \$6 billion cut in spending." p. H3746  
Rep. Curtis discussed the tax increase and expenditure cut bill and questioned whether "this package will help in cutting back on inflation." pp. H3748-54
4. WATER POLLUTION. Rep. Blackburn discussed the provisions of his bill to provide a tax credit to industries which would construct water pollution control facilities. pp. H3757-8
5. RECLAMATION. Rep. Johnson, Calif., discussed some of the issues "which will have a direct bearing" on the scheduled debate on the Colorado River Basin bill. pp. H3739-44
6. OPINION POLL. Rep. Burke, Fla., inserted the results of a questionnaire including items of interest to this Dept. pp. H3758-9
7. FOREIGN AFFAIRS. Rep. Fascell inserted the exchange of remarks between the President and the Secretary General of the OAS in which they discussed the Alliance for Progress, the Inter-American Development Bank, the Central American Common Market and Latin American Free Trade Association. pp. H3767-8
8. FOREIGN AID. Rep. Berry stated that he had submitted to the House Foreign Affairs Committee a proposed substitute for H. R. 15263, the proposed Foreign Assistance Act of 1968. pp. H3763-4
9. WATER QUALITY. Rep. Cleveland inserted comments of the New England Interstate Water Pollution Control Commission warning of "drastic consequences" if the proposed water quality improvement bill is passed. pp. H3762-3

CONSIDERATION OF HOUSE JOINT RESOLUTION 1227

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MAY 14, 1968.—Referred to the House Calendar and ordered to be printed

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Mr. SISK, from the Committee on Rules,  
submitted the following

**R E P O R T**

[To accompany H. Res. 1173]

The Committee on Rules, having had under consideration House Resolution 1173, report the same to the House with the recommendation that the resolution do pass.





90TH CONGRESS  
2D SESSION

# House Calendar No. 247

# H. RES. 1173

[Report No. 1389]

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IN THE HOUSE OF REPRESENTATIVES

MAY 14, 1968

Mr. SISK, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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## RESOLUTION

1       *Resolved*, That upon the adoption of this resolution it  
2 shall be in order to move that the House resolve itself into the  
3 Committee of the Whole House on the State of the Union  
4 for the consideration of the joint resolution (H.J. Res.  
5 1227) to authorize the temporary funding of the Emer-  
6 gency Credit Revolving Fund, and all points of order against  
7 said joint resolution are hereby waived. After general debate,  
8 which shall be confined to the joint resolution and shall con-  
9 tinue not to exceed one hour, to be equally divided and con-  
10 trolled by the chairman and ranking minority member of the  
11 Committee on Agriculture, the joint resolution shall be read

90<sup>TH</sup> CONGRESS      H. RES. 1173  
2d Session

[Report No. 1389]

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## RESOLUTION

Providing for consideration of the joint resolution (H.J. Res. 1227) to authorize the temporary funding of the Emergency Credit Revolving Fund.

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By Mr. SISK

MAY 14, 1968

Referred to the House Calendar and ordered to be printed

1 for amendment under the five-minute rule. At the conclusion  
2 of the consideration of the joint resolution for amendment,  
3 the Committee shall rise and report the joint resolution to the  
4 House with such amendments as may have been adopted,  
5 and the previous question shall be considered as ordered on  
6 the joint resolution and amendments thereto to final passage  
7 without intervening motion except one motion to recommit.





May 15, 1968

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11. HEW. Both Houses received the annual report of HEW for fiscal 1967. pp. H3867, S5619

12. PERSONNEL. Both Houses received from Transportation a proposed bill to authorize the payment of expenses of preparing and transporting to his home or place of interment the remains of a Federal employee who dies while performing official duties in Alaska or Hawaii; to Government Operations Committees. pp. S5619, H3867

13. COUNTY COMMITTEES. The committee report on S. 1028, to extend certain benefits to former employees of county committees, contains the following:  
"The purpose of this legislation is to facilitate the hiring of qualified personnel in positions in the Department of Agriculture by removing certain impediments to the recruitment of experienced county committee employees of the Agricultural Stabilization and Conservation Service (ASCS)."  
"Enactment of S. 1028 will provide for desirable changes in the conditions under which ASCS personnel may enter into Federal employment with the Department of Agriculture, as follows:  
"(1) The Department of Agriculture will be enabled to place the employee in a civil service position at a salary step which is comparable to, but does not exceed, his prior county salary rate.  
"(2) The employee's annual and sick leave will be transferred to the new position in the Department of Agriculture.  
"(3) The employee's former county committee employment service will be creditable for leave earning purposes and reduction-in-force purposes in the new position in the Department of Agriculture."

14. CREDIT UNIONS. The committee report on H. R. 14907, to amend the Federal Credit Union Act, states that the amended version of the bill would: (1) extend the maturity of loans made on a secured basis from 5 to 10 years, (2) permit credit unions to make investments into State-chartered central credit unions, (3) enable Federal credit unions to purchase from any liquidating credit union notes of that credit union even though the member whose note was being sold would not become a member of the purchasing credit union, (4) provide that credit unions may facilitate members' purchases of health and accident insurance on credit union loans and include the cost of this insurance in the loan repayment schedule with no fee charged for this activity, (5) allow the board to delegate the borrowing authority to the executive committee, (6) increase the unsecured loan limit to 2½% of unimpaired capital and surplus, (7) provide for two additional audits plus the annual examination, and (8) make it clear that only a majority vote of the board is necessary for removal of a member of the supervisory committee.

SENATE

15. HOUSING. The Banking and Currency Committee reported an original bill S. 3497, to assist in the provision of housing for low- and moderate-income families and to extend and amend laws relating to housing and urban development (S. Rept. 1123). p. S5619

*Senate*

*May 15, 1968*

- 4 -

16. SUPPLEMENTAL APPROPRIATIONS. H. J. Res. 1268, making supplemental appropriations for fiscal year 1968 for highways and certain claims, was ordered to lie on the table. p. S5570  
*Senate actually reported*

17. FOOD STAMPS; FORESTRY; COMMODITY EXCHANGES; LOANS; WATERSHEDS. The Agriculture and Forestry Committee voted to report (but did not actually report) without amendment S. 3068, authorizing \$245 million for the Food Stamp Act for fiscal year 1969; S. 2837, authorizing establishment of the Cradle of Forestry in America in the Pisgah National Forest, N.C.; S. 3143, making frozen concentrated orange juice subject to the provisions of the Commodity Exchange Act; S. J. Res. 168, authorizing temporary emergency funds for the Farmers Home Administration; and H. R. 15822, authorizing establishment of the Robert S. Kerr Memorial Arboretum and Nature Center in the Ouachita National Forest, Okla.; and with amendment S. 2276, permitting Secretary of Agriculture to contract for works of improvement under the Watershed Protection and Flood Prevention Act upon request of local organizations. pp. D435-6

18. FARM PROGRAM. The "Daily Digest" states the Agriculture and Forestry Committee "announced that it had agreed to act this year on the extension of the Food and Agriculture Act of 1965 (P.L. 89-321), and that it plans to hold hearings on a bill, to be introduced by Senator Ellender, embodying amendments to this act proposed during recent hearings." p. D436

19. POVERTY; BUILDINGS. Sen. Byrd, W. Va., inserted an SCLC statement that participants in the Poor People's Campaign might "hang around" this Department. p. S5498 (May 14)

20. FARMERS HOME ADMINISTRATION. Sen. Scott was added as a cosponsor of S. 3165, to amend the Consolidated Farmers Home Administration Act to provide for loans to public bodies which, upon sale by the Farmers Home Administration, shall bear taxable interest. p. S5621

21. ARTS AND HUMANITIES. Sen. Pell commended President Johnson's interest in arts and humanities and inserted the President's remarks at the dedication of the Smithsonian Institution's National Collection of Fine Arts. pp. S5629-30

22. AWARDS; FARM PROGRAM. Sen. Ellender commended the "Department's growth and increased responsibility" and inserted his speech made at the USDA Honor Awards Ceremony May 14. pp. S5636-7

23. ELECTRIFICATION. Sen. Metcalf quoted a welfare administrator who wrote, "Utility charges...is an area where poor people suffer the most," and inserted an article from Electrical World. pp. S5649-51

24. HORSES. Sen. Hansen inserted material regarding the problems arising over the fate of the wild horse herd in the Pryor Mountain area of Wyo. and Mont. pp. S5652-3

# Calendar No. 1110

90TH CONGRESS      }  
  2d Session      }

SENATE      }

REPORT  
No. 1127

## EMERGENCY FARM LOAN FUNDS

MAY 16, (legislative day, MAY 14,) 1968.—Ordered to be printed

Mr. TALMADGE, from the Committee on Agriculture and Forestry,  
submitted the following

### R E P O R T

[To accompany S.J. Res. 168]

The Committee on Agriculture and Forestry, to which was referred the joint resolution (S.J. Res. 168) to authorize the temporary funding of the emergency credit revolving fund, having considered the same, reports favorably thereon without amendment and recommends that the joint resolution do pass.

This joint resolution would direct the Commodity Credit Corporation to advance up to \$30 million to the emergency credit revolving fund. The advances would later be repaid with interest out of appropriations to the fund. The background and need for this legislation is explained in the attached report from the Secretary of Agriculture recommending its enactment.

### DEPARTMENTAL VIEWS

DEPARTMENT OF AGRICULTURE,  
*Washington, D.C., May 15, 1968.*

Hon. ALLEN J. ELLENDER,  
*Chairman, Committee on Agriculture and Forestry,  
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for a report on Senate Joint Resolution 168, to authorize a temporary funding of the emergency credit revolving fund.

The Department recommends enactment of the proposed resolution.

Senate Joint Resolution 168 would authorize and direct the Commodity Credit Corporation to make advances to the emergency credit revolving fund in a total amount not to exceed \$30 million. The resolution provides also that the Commodity Credit Corporation would be reimbursed with interest out of a subsequent appropriation.

Emergency loans are made by the Farmers Home Administration to eligible farmers and ranchers in areas designated for this purpose by the Secretary of Agriculture. The Secretary's action in this regard is based on his finding that a natural disaster has caused a general need for agricultural credit which cannot be met by local sources.

These loans are made out of the emergency credit revolving fund. The revolving fund does not receive annual appropriations. Instead, funds are loaned, collected, and loaned again to established farmers and ranchers who are unable to obtain credit from other sources.

Because of an unprecedented demand for emergency loans this fiscal year, the revolving fund's cash assets have been exhausted since the middle of March. The only amounts which have been available for loanmaking since that time have been collections received on loans already made. These amounts are wholly inadequate to meet the need. In addition, collections in June will be received too late to finance the production of 1968 crops.

There are 1,326 presently designated emergency loan counties in 39 States. The unprecedented need for these loans this year has resulted from:

1. Hurricane Beulah in September of 1967, which, with accompanying floods and tornadoes, did extensive damage to buildings, land, vegetable crops, and livestock in 16 south Texas counties. These counties had already experienced damage to the cotton crop because of prolonged drought. The drought and other adverse weather conditions prevailed in 178 other Texas counties during 1967.

2. Freezing temperatures in early November which did extensive damage to the 1967 cotton crop in many counties in Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee. The cotton crop was practically destroyed in most of these counties. Emergency loans are available in 339 counties in these States.

3. Excessive moisture and freezing temperatures at harvest time in Illinois, Indiana, Iowa, and Ohio which resulted in large volumes of soft corn and seriously interfered with the harvest of corn and soybeans. Many acres were not harvested. In addition, the moisture content of harvested corn is high and prices are greatly depressed. Emergency loans are available in 58 counties in Illinois, 76 counties in Indiana, 40 counties in Iowa, and 53 counties in Ohio.

4. Excessive moisture and freezing temperatures in the early fall of 1967 which seriously interfered with harvesting and damaged the quality of crops in New England, particularly in the potato area of Maine.

5. Heavy snowstorms which hit Arizona and parts of New Mexico between December 11 and 19. These storms did extensive damage to livestock, buildings, feed, and farm machinery. The greatest damage was to breeding livestock and the livestock increase crops for 1968. Very few ranchers will have any income this year from the sale of livestock increases. Thirteen counties in Arizona and four counties in New Mexico were designated as emergency loan areas because of these storms.

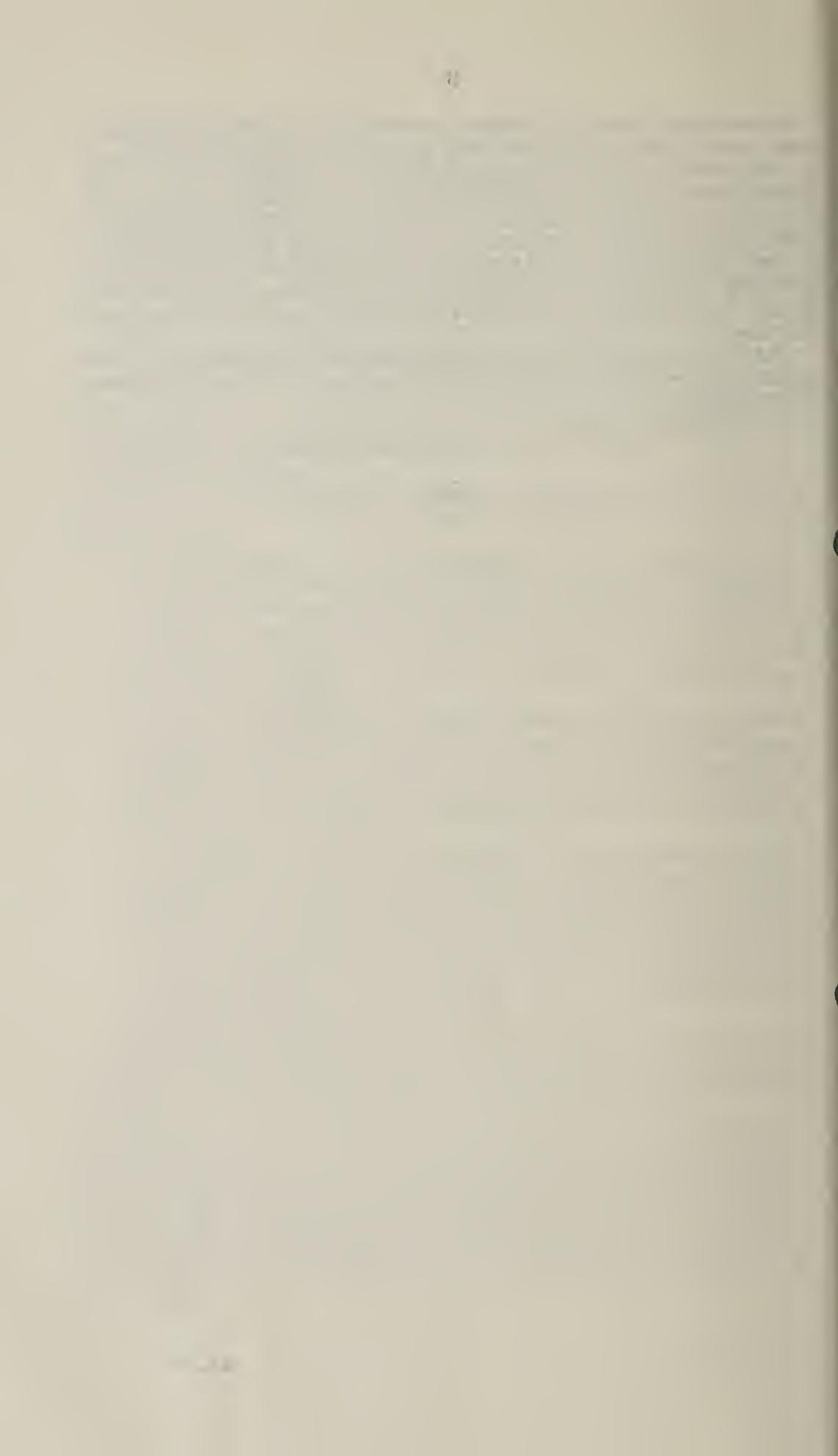
A total of 19,389 emergency loans in the amount of \$92,384,489 had been made through April 12. The applications of 2,253 additional farmers and ranchers were pending in the Finance Office of the Farmers Home Administration on April 12 awaiting sufficient funds for the preparation of checks. Also, it is estimated that 5,500 other farmers will need emergency loans totaling approximately \$25 million. This shows a current cash need of \$38,931,000. The amount which would be provided by the proposed resolution plus amounts to be collected during the remainder of this fiscal year should be adequate to meet this need.

The Bureau of the Budget advises that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely yours,

ORVILLE L. FREEMAN, *Secretary.*





Calendar No. 1110

90TH CONGRESS  
2D SESSION

**S. J. RES. 168**

[Report No. 1127]

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IN THE SENATE OF THE UNITED STATES

MAY 3, 1968

Mr. CHURCH (for himself, Mr. McGOVERN, Mr. MANSFIELD, and Mr. METCALF) introduced the following joint resolution; which was read twice and referred to the Committee on Agriculture and Forestry

MAY 16 (legislative day, MAY 14), 1968

Reported by Mr. TALMADGE, without amendment

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**JOINT RESOLUTION**

To authorize the temporary funding of the Emergency Credit Revolving Fund.

1       *Resolved by the Senate and House of Representatives*  
2    *of the United States of America in Congress assembled,*  
3    That the Commodity Credit Corporation is hereby author-  
4    ized and directed to make advances to the Emergency Credit  
5    Revolving Fund (7 U.S.C. 1966) in a total amount not to  
6    exceed \$30,000,000. Such advances together with interest  
7    at a rate which will compensate Commodity Credit Corpo-  
8    ration for its cost of money during the period in which the  
9    advance was outstanding shall be reimbursed out of appro-  
10   priations to the fund hereafter made.

90<sup>TH</sup> CONGRESS  
2d SESSION

**S. J. RES. 168**

[Report No. 1127]

**JOINT RESOLUTION**

To authorize the temporary funding of the  
Emergency Credit Revolving Fund.

By Mr. CHURCH, Mr. McGOVERN, Mr. MANS-  
FIELD, and Mr. METCALF

MAY 3, 1968

Read twice and referred to the Committee on  
Agriculture and Forestry

MAY 16 (legislative day, MAY 14), 1968  
Reported without amendment



— 5, 1, 88, 168  
(Nov. 1, 1911)

JOINT RESOLUTION

WHEREAS, the Legislature of the State of California, at its regular session, held at Sacramento, California, on the 12th day of January, 1911, did, by joint resolution, passed in both houses, make application to Congress for the admission of the State of Alaska into the Union; and

WHEREAS, the Legislature of the State of California, at its regular session, held at Sacramento, California, on the 12th day of January, 1911, did, by joint resolution, passed in both houses, make application to Congress for the admission of the State of Alaska into the Union;

*May 17, 1968*

- 3 -

7. EMERGENCY FUNDS. Passed over S. J. Res. 168, to authorize the temporary funding of the emergency fund. p. S5775

8. ENVIRONMENTAL QUALITY. Sen. Mansfield inserted his speech made at St. John's University, N. Y., in which he said that Montana is free of many environmental problems..."yet, we are one nation and Montana is part of it." pp. S5776-8

9. HUNGER. Sen. Hartke was added as a cosponsor of S. Res. 281, to establish a Select Committee on Nutrition and Human Needs. p. S5785

10. FOREIGN TRADE. Sen. Mondale announced that a subcommittee of the Banking and Finance Committee will conduct hearings May 22 on S. J. Res. 169, to express the sense of Congress that the Export Control Act regulations and the Export-Import Bank financing restrictions be modified to promote the best interest of the U. S. by permitting an increase in trade in peaceful goods between the U. S. and Eastern Europe. p. S5786

11. TAXATION. Sen. Smathers reviewed recent developments since the Senate passed H. R. 15414, the excise tax increase bill, and inserted several articles. pp. S5790-5

12. ORGANIZATION. Sen. Pell inserted an article, "Congress Needs Own Attorney General If Its Power Is Ever To Be Restored." pp. S5803-4

13. WILDERNESS. Sen. Dominick commended Secretary Freeman's decision that "the boundary of the Primitive Area will not be modified to accommodate the highway route currently proposed by the Colorado Department of Highways." pp. S5804-5

14. WATER POLLUTION. Sen. Byrd, W. Va., inserted Sen. Randolph's remarks at a symposium on "water pollution problems caused by acid mine drainage." pp. S5808-9

15. SMALL BUSINESS. Sen. Bayh inserted Indiana's "Proclamation for Small Business Week, May 12 to 18, 1968." pp. S5795-6

16. POPULATION; EMPLOYMENT. Sen. McGovern expressed his conviction that "spiraling imbalance in our Nation's population is among the most pressing issues of our time," spoke in support of proposed legislation to "employ Federal procurement policies and tax incentives to encourage business to bring economic expansion to rural areas," and inserted a letter on the subject. pp. S5796-7

17. ADJOURNED until Mon., May 20. p. S5854

EXTENSION OF REMARKS

18. MEAT INSPECTION. Sen. Fannin inserted an article, "Health Expert Reveals New Law's Dangerous Deceit", critical of the Wholesome Meat Act of 1967 and opposing proposed fish and poultry inspection legislation. pp. E4371-3

BILLS INTRODUCED

19. FLOOD CONTROL. S. 3515 by Sen. Long, La., to modify the comprehensive plan for flood control and improvement of the lower Mississippi River; to Public Works Committee.

20. MEAT INSPECTION; SMALL BUSINESS. S. Res. 290 by Sen. Bible, to assist small meat-packing companies in complying with new federal inspection requirements; to Agriculture and Forestry Committee. Remarks of author pp. S5785-6

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COMMITTEE HEARINGS:

MAY 20: Redwood National Park, H. Interior.

MAY 21: Redwood National Park, H. Interior (Secretary Freeman to testify).

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ated construction of this facility. It, therefore, established the New Jersey Highway Authority, which was authorized to complete the Garden State Parkway by the sale of revenue bonds financed by tolls imposed upon the users.

At the present time the toll-free sections of highway which make up the original 20 miles carry heavy traffic composed both of local and through travelers. The current inadequacy of the present stretches has created certain safety and convenience problems which can be solved through the reconstruction of these sections and the imposition of tolls to pay for such improvements, while at the same time constructing parallel toll-free facilities to serve local traffic.

The committee conducted a hearing on S. 1558 at which time the Department of Transportation of the State of New Jersey, the New Jersey Highway Authority, and the U.S. Department of Transportation testified in favor of the enactment of this legislation. During the course of the hearing, testimony was received from a representative of one of the communities involved regarding the necessity for the provision of alternate toll-free facilities for local service.

#### ANALYSIS OF THE BILL

The legislation would authorize the State of New Jersey to repay to the Treasurer of the United States for deposit in the highway trust fund, funds equivalent to the amounts received by the State of New Jersey for construction of the enumerated sections of highway as Federal-aid highways. The amount so repaid will be credited to the account of the State of New Jersey and will be used in the construction of other Federal-aid highways.

The committee, in reporting S. 1558, recommends the amendment of the bill to require the construction of toll-free highway facilities in the vicinity of the enumerated sections as may be necessary to adequately serve local traffic. Facilities will be constructed pursuant to an agreement between the New Jersey Highway Authority and the State of New Jersey acting through its State House Commission. This commission is a bipartisan group of elected officials headed by the Governor and who will most certainly be in a position to adequately protect the local interests while insuring that the needs of the State are properly met.

Upon construction of the toll-free facilities and repayment of the Federal-aid funds expended in connection with the construction of sections of the Garden State Parkway enumerated in the bill, the New Jersey Highway Authority will be able to impose tolls on the heretofore free sections of highway.

Legislation of this type has been considered and passed by the Congress on other occasions. The most recent two examples were: (1) The authorized repurchase by the State of Connecticut of mileage constructed with Federal aid pursuant to provisions of section 22(a), Public Law 35, 83d Congress and (2) a similar repurchase by the States of Maryland and Delaware pursuant to section 6(a) of Public Law 86-657.

#### BILL PASSED OVER

The bill (S. 2276) to amend the Watershed Protection and Flood Prevention Act to permit the Secretary of Agriculture to contract for the construction of works of improvement upon request of local organizations was announced as next in order.

Mr. MANSFIELD. Over, Mr. President. The ACTING PRESIDENT pro tempore. The bill will be passed over.

#### ROBERT S. KERR MEMORIAL ARBORETUM

The bill (H.R. 15822) to authorize the Secretary of Agriculture to establish the Robert S. Kerr Memorial Arboretum and Nature Center in the Ouachita National Forest in Oklahoma, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1126), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill provides for establishment of the Robert S. Kerr Memorial Arboretum and Nature Center in the Ouachita National Forest in Oklahoma, to be administered under national forest laws and regulations so as to promote learning about nature and forest land management. Cooperation with, and receipt of contributions from, public and private sources is authorized. The boundaries would be determined by the Secretary of Agriculture, published in the Federal Register, and shown on a map in the office of the Chief of the Forest Service. The Department of Agriculture recommends enactment, and advises that the center would consist of about 350 acres on the Talimena Scenic Drive containing numerous game and song birds. Total annual visits to the area are expected to exceed 400,000 by 1976. The Department estimates that the total cost of planning and development over a 3-year period will be about \$1.5 million. Operating costs will probably build up to about \$150,000 per year.

#### BILL PASSED OVER

The bill (S.J. Res. 168) to authorize the temporary funding of the emergency fund was announced as next in order.

Mr. MANSFIELD. Over, Mr. President.

The ACTING PRESIDENT pro tempore. The bill will be passed over.

#### FROZEN CONCENTRATED ORANGE JUICE

The bill (S. 3143) to amend the Commodity Exchange Act, as amended, to make frozen concentrated orange juice subject to the provisions of such act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the third sentence of section 2(a) of the Commodity Exchange Act, as amended (7 U.S.C. 2), is amended by striking out "and livestock products" and inserting in lieu thereof "livestock products, and frozen concentrated orange juice".*

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1128), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill would amend the Commodity Exchange Act to add frozen concentrated orange

juice to the list of commodities subject to regulation under that act. The effect of the bill is further explained in the attached report from the Department of Agriculture recommending enactment of the bill.

#### CRADLE OF FORESTRY

The bill (S. 2837) to authorize the Secretary of Agriculture to establish the Cradle of Forestry in America in the Pisgah National Forest in North Carolina, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to preserve, develop, and make available to this and future generations the birthplace of forestry and forestry education in America and to promote, demonstrate, and stimulate interest in and knowledge of the management of forest lands under principles of multiple use and sustained yield and the development and progress of management of forest lands in America, the Secretary of Agriculture is hereby authorized to establish the Cradle of Forestry in America in the Pisgah National Forest, North Carolina. As soon as possible after this Act takes effect, the Secretary of Agriculture shall publish notice of the designation thereof in the Federal Register together with a map showing the boundaries which shall be those shown on the map entitled "Cradle of Forestry in America" dated April 12, 1967, which shall be on file and available for public inspection in the office of the Chief, Forest Service, Department of Agriculture.*

SEC. 2. The area designated as the Cradle of Forestry in America shall be administered, protected, and developed within and as a part of the Pisgah National Forest by the Secretary of Agriculture in accordance with the laws, rules, and regulations applicable to national forests in such manner as in his judgment will best provide for the purposes of this Act and for such management, utilization, and disposal of the natural resources as in his judgment will promote or is compatible with and does not significantly impair the purposes for which the Cradle of Forestry in America is established.

SEC. 3. The Secretary of Agriculture is hereby authorized to cooperate with and receive the cooperation of public and private agencies and organizations and individuals in the development, administration, and operation of the Cradle of Forestry in America. The Secretary of Agriculture is authorized to accept contributions and gifts to be used to further the purposes of this Act.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1129), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill provides for establishment of the Cradle of Forestry in America in the Pisgah National Forest in North Carolina, to be administered under national forest laws and regulations so as to promote knowledge about forestry education and forest land management. Cooperation with, and receipt of contributions from, public and private sources is authorized. The boundaries would be shown on a map published in the Federal

Register and would be the same as those shown on the map entitled "Cradle of Forestry in America" dated April 12, 1967. The area consists of about 6,800 acres around the site of the Biltmore Forest School, the first technical forestry school in America.

The Department estimates that the cost of planning and development will be about \$10.5 million. Operating costs will probably build up to about \$400,000 per year.

#### AMENDMENT OF THE FOOD STAMP ACT OF 1964

The bill (S. 3068) to amend the Food Stamp Act of 1964, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of subsection (a) of section 16 of the Food Stamp Act of 1964, as amended, is amended by deleting the phrase "not in excess of \$255,000,000 for the fiscal year ending June 30, 1969;" and inserting in lieu thereof the phrase "not in excess of \$245,000,000 for the fiscal year ending June 30, 1969;".*

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1130), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill is needed to permit orderly growth of the program. In December 1967 the number of areas designated under the program totaled 1,239. By June 30, 1968, total participation in these areas is expected to be about 2,750,000 persons, which will take the full \$225 million authorized for fiscal 1969, leaving no room for expansion.

In order to assure proper administration of the food stamp program the committee recommends that the Department make clear to dealers and food stamp recipients, through written statements furnished to them, store display signs, and otherwise, the purposes for which food stamps may be used and the penalties for misuse of stamps, or other violations of the act.

Mr. MANSFIELD. Mr. President, that concludes the call of the calendar.

#### ADDRESS BY SENATOR MANSFIELD AT ST. JOHN'S UNIVERSITY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that a speech I delivered at St. John's University, Jamaica, N.Y., on May 15, 1968, be printed at this point in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

##### A TIME OF TROUBLE

(Remarks of Senator MIKE MANSFIELD, Democrat, of Montana, at St. John's University, Jamaica, N.Y., May 15, 1968)

These are difficult times in which to meet with a student body. There is still Viet Nam. There is still the volcanic condition of the nation's cities. The questions on your minds, I know, are many. The answers, I regret to say, are few. I cannot tell you what I do not know.

I can tell you that we have come to a point of deep trouble in this nation. We have come to it for many reasons. Most of all, we have come to it because we have indulged for a long time in the luxury of ignoring or tint-

ing the nation's problems. For too long, we have downgraded their immensity and their intensity.

It is a measure of our plight at home that we tend to drift with our difficulties rather than confront them. We drift until an assassination or bonfires of metropolitan dimensions or some such abomination shocks us into the recollection that they are still there. It is a measure of our plight abroad that it has taken three years and many thousands of lives from the President's first call for a negotiated end to the war in Viet Nam to the first uncertain touching of the antennas of the negotiators in Paris.

We are in a time of trouble. Yet it does have the virtue that it may be convertible into a time of awakening. Let me consider with you, therefore, some of the sources of the difficulties which confront us both within the nation and in our relations with the rest of the world.

In recent weeks, as you know, many of the nation's cities have erupted in showers of violence. Some of us reside in these cities. Some of us have our homes in quiet places a few miles away or many hundreds of miles away. Yet, can any of us be truly isolated from the violence of the cities? Can we be insulated from these immense social heavings? Can we be impervious to tremors which shake the ideals and institutional foundations of the American experience in freedom?

To say the least, it is alien to witness, within our borders, displays of massive disorder. It is disturbing to live in the eerie stillness of curfews which are enforced by federal troops. It is awesome to contemplate the possibilities of more violence patterned after that which occurred in mid-1967 and then, once more, a few weeks ago.

If outbreaks occur again, let there be no doubt that they will be suppressed; that is inevitable. Responsible government must act to ensure the security of persons and property. In any given situation, it is possible to quarrel with how the domestic tranquility is maintained. In any given situation, it is possible to find fault with the use of the police power; some may say excessive and others inadequate. In the end, however, there can be little debate that it is counter-violence which will be invoked in the face of violence.

Whatever view is taken of the recent outbursts, one message which they conveyed was clear. It tells us, in terms which cannot be put aside, that there are highly combustible substances gathered in our society. These substances, to be sure, are compounds of racial inequities, frustrations, and arrogances. They also include, however, the inadequacy of a whole range of public services. They also contain the problems of concentrated poverty with its retinue of human disabilities and brooding discontents.

This is the stuff of urban violence.

At the moment, the racial factor may concern us most deeply. Racial tensions, however, are but one manifestation of the social combustibility in this nation. The fact is that a high level of violence has been endemic since the beginning and in recent years it has been on the rampage.

It would, perhaps, be a path of least resistance for me, and the Montanans whom I represent in the Senate of the United States, to turn our backs on the crisis of the great cities. Montana is a spacious and beautiful place with a scant and scattered population. Many of the problems which assume high proportions elsewhere affect Montana hardly at all. In Montana there is plenty of room. The water is pure. So is the air. Our largest city has a total population of 55,000 a fraction of the slum populations of some of the great metropolitan centers. Yet, we are one nation and Montana is part of it. If cities in other states of the Union lose their habitability, the nation loses, and Montana loses with them.

The problems of the urban areas arise

from developments of many years. Most significant, perhaps, have been the vast migrations to these centers in response to an evolving economic technology and a great growth in the population. The process of human concentration, at first, attracted little notice. For a long time it aroused little concern. Now, we find three-quarters of the nation's people in the cities and adjacent suburbia.

If these areas are already caught up in a maze of problems, it is not hard to imagine what the situation could be like by the year 2000. During the next three decades, the nation's population count is expected to rise from its present 200 million level to 350 million.

The shape of the cities of the next century is still only dimly seen. What is already only too painfully visible, however, are the imperatives for the survival of the cities in the final years of the 20th century. There is, today, a plethora of urgent needs. To cite but a few, there is a need for jobs and a need for manpower training and development. There is a need for public health, housing, and recreation. There is a need for sufficient means of transportation. There is need for fully complemented, proficient, and professional police, fire, and other protective departments of government. There is a need for educational systems which are enlightened and excellent. There is a need for an assured supply of clean water and air.

Relentless effort is going to be required to meet these complex and ever-growing needs. It will take imagination, skill, and labor. It will take a dedicated leadership and the combined effort of existing institutions and others which have yet to be devised. Money alone will not supply the answer. But make no mistake, it is going to take money—a great deal of money—to cope with the problems of urban habitability.

The responsibility for the cities cannot rest on government alone—much less on the federal government alone. Nonetheless, the role of government cannot be minimized. Responsible government must be responsive to the concerns and requirements of all of its citizens. It must care about the nation's safety and its health. It must care about the youth of the nation and the old. It must care about the jobless, the ill-housed, the poverty-stricken—all those too powerless to help themselves. And it must concern itself, too, with those too powerful. In the final analysis, government must care about the content and caliber of the total environment in which the life of the nation is lived.

Within that framework, the role of the federal government is, of necessity, a substantial one. It can be a source of inspiration, leadership, and direction. It can be a source of action—planned, balanced, and well-knit. It can be a channel of resources of a scope sufficient to have a constructive and durable impact on the localities.

During the Administration of President John F. Kennedy, it began to be realized that the federal government would have to assume a significant role in solving the multiplying problems of the cities. During the present Administration of President Lyndon B. Johnson, these beginnings have been augmented. Together, the Administration and the Congress have formulated a number of programs and plans directed specifically towards the transformation of city life. There come to mind, for example, the establishment of the Departments of Housing and Urban Development, of Transportation, the Model Cities Program, Rent Supplements, and the Safe Streets and Crime Control Act.

Innumerable measures which can bring to bear a constructive impact—direct or indirect—on the urban areas have been approved by Congress in recent years. The package is not perfect but it is a good beginning. As a member of the Senate, I say this, un-





# *DIGEST of Congressional Proceedings*

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued May 21, 1968  
For actions of May 20, 1968  
90th-2nd; No. 86

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HIGHLIGHT: Senate passed bills on emergency credit and watershed construction.

### HOUSE

1. LOANS. Passed under suspension of the rules H. R. 1667½, to amend the Federal Farm Loan Act and the Farm Credit Act of 1933 so as to authorize Federal intermediate credit banks to issue securities and sell them on the general market, to increase the debt ratio from the present 12 to 1 to a ratio of 20 to 1 (the

same as the Federal land banks), and authorize the intermediate credit banks to periodically adjust investments of the production credit associations. pp. H3931, H3935-6

Received the conference report on S. 5, the truth-in-lending bill (H. Rept. 1397), pp. H3947-56

At the request of Rep. Hall, passed over H. J. Res. 1227, to authorize the temporary funding of the emergency credit revolving fund. p. H3931

2. WEATHER RESEARCH. Passed with amendment S. Con. Res. 67, requesting the President to insure U. S. benefits from an expanded international effort to increase the accuracy and extend the time range of weather predictions. H. Con. Res. 723, a similar measure, was laid on the table. pp. H3934-5, H3938-9
3. ASSAULT STATUTE. Passed, 333-5, under suspension of the rules H. R. 15387, to extend the "assault statute" so as to make it a Federal offense to interfere with the work of postal employees. pp. H3939-45
4. FOOD STAMPS. Rep. Price, Ill., recommended expansion of the food stamp program. p. H3928
5. TAXATION; EXPENDITURES. Rep. Kelly said "as of today" the taxation-expenditures bill would not pass, and he deplored this situation. p. H3928  
Rep. Hanna asked that the taxation-expenditures bill be considered promptly and said inflation is causing higher interest rates and more imports. p. H3929
6. ELECTRIFICATION. Rep. Mayne commended electric cooperatives and investor-owned utilities for working together in Iowa. pp. H3992-3
7. INTEREST RATES. Rep. Patman blamed the Federal Reserve System for increased interest rates. pp. H4001-5

SENATE

8. LOANS. Passed without amendment H. R. 15364, to provide for increased U. S. participation in the Inter-American Development Bank. At the request of Sen. Mansfield the following excerpt from the committee report was inserted: The bill would "authorize the U. S. Governor of the Bank (the Secretary of the Treasury) to vote in favor of a \$1 billion increase in the Bank's authorized callable capital stock...to agree on behalf of the United States to subscribe this Nation's proportionate share of the increase, amounting to \$411,760,000" (pp. S5857-9). This bill will now be sent to the President.  
Passed without amendment S. J. Res. 168, to authorize the temporary funding of the emergency fund. At the request of Sen. Mansfield the following excerpt from the committee report was inserted: "This joint resolution would direct the Commodity Credit Corporation to advance up to \$30 million to the emergency credit revolving fund. The advances would later be repaid with interest out of appropriations to the fund." p. S5857
9. WATERSHEDS. Passed as reported S. 2276, to amend the Watershed Protection and Flood Prevention Act to permit the Secretary of Agriculture to contract for the construction of works of improvement upon request of local organizations.

May 20, 1968

CONGRESSIONAL RECORD — HOUSE

H 3931

of the Committee on Public Works; which was read and, together with the accompanying papers, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C. May 13, 1968.

Hon. JOHN W. McCORMACK,  
*Speaker of the House,*  
*The Capitol,*  
*Washington, D.C.*

MY DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, the Committee on Public Works of the House of Representatives on May 7, 1968, approved the following public building projects for construction, alteration, and purchase:

PROJECT REVISIONS

Van Nuys, California, Post Office & Vehicle Maintenance Facility.

Jacksonville, Florida, Post Office & Vehicle Maintenance Facility.

Covington, Kentucky, Treasury-Regional Service Center.

Andover, Massachusetts, Treasury-Regional Service Center.

Charlotte, North Carolina, Post Office & Vehicle Maintenance Facility.

Mansfield, Ohio, Post Office & Fed. Office Bldg.

Ogden, Utah, Treasury-Regional Service Center.

Total, 7 projects.

POSTAL PUBLIC BUILDINGS

Fresno, California.

Riverside, California.

Pensacola, Florida.

Chicago, Illinois (South Suburban).

Chicago, Illinois (North Suburban).

East St. Louis, Illinois.

Gary, Indiana.

South Bend, Indiana.

Kansas City, Missouri.

Albuquerque, New Mexico.

Brocklyn, New York.

Youngstown, Ohio.

Pittsburgh, Pennsylvania.

Memphis, Tennessee.

Dallas, Texas.

Salt Lake City, Utah.

Northern Virginia, Virginia.

Tacoma, Washington.

Madison, Wisconsin.

San Diego, California.

New York, New York (Murray Hill Sta.).

PURCHASES

Flint, Michigan.

Philadelphia, Pennsylvania.

NOTE.—All of the above buildings are Post Office and Vehicle Maintenance Facilities except for the following:

Memphis, Tennessee—Postal facility only.

Chicago, Ill. (South Suburban)—Postal facility only.

San Diego, Calif.—Postal facility, Courthouse, Federal Office Bldg. and Parking Facility.

Madison, Wisconsin—Postal facility, Federal Office Bldg., and Post Office and Court-house (Alteration).

Philadelphia, Pennsylvania—Post Office Garage (Acquisition).

Total—23 Projects.

PROJECTS FOR NEW CONSTRUCTION

Fayetteville, Arkansas, Courthouse, FOB. Sandpoint, Idaho, FOB.

Iowa City, Iowa, Post Office, FOB.

New Orleans, La., Courthouse, FOB.

New Bedford, Mass., Post Office, FOB.

Ann Arbor, Michigan, FOB.

Hattiesburg, Miss., Courthouse, FOB.

Auburn, New York, Post Office, Courthouse, FOB.

Hempstead, New York, (1) Post Office, (2) FOB.

Eugene, Oregon, Courthouse, FOB.

Williamsport, Pennsylvania, Post Office, Courthouse, FOB.

Aberdeen, South Dakota, (1) Post Office, (2) FOB.

Mildland, Texas, Post Office, FOB.

Elkins, West Virginia, Post Office, Courthouse, FOB.

Total—16 Projects.

ALTERATION PROJECTS

South San Francisco, Calif., Federal Supply Warehouse.

Jacksonville, Florida, Post Office, Courthouse.

Chicago, Illinois, FOB, Courthouse.

Kansas City, Missouri, FOB—911 Walnut.

Kansas City, Missouri, 2306 E. Bannister Road—FOB.

Brooklyn, New York, FOB—29th and Third Ave.

Staten Island, New York, Post Office.

Pittsburgh, Pennsylvania, Post Office, Courthouse.

Aberdeen, South Dakota, Post Office, Courthouse.

Milwaukee, Wisconsin, Post Office, Courthouse.

Washington, D.C., Courthouse.

Washington, D.C., GSA Regional Office Bldg.

Total—12 projects.

REPORTS OF BUILDING PROJECT SURVEYS

Santa Ana, California, FOB.

Winston-Salem, North Carolina, FOB.

Huron, South Dakota, Post Office, FOB.

Mt. Vernon, Illinois, FOB.

Total—4 projects.

Total Projects Approved—62.

Sincerely yours,

GEORGE H. FALLON,  
*Chairman.*

SECOND ANNUAL REPORT ON THE OPERATION OF THE AUTOMOTIVE PRODUCTS TRADE ACT OF 1965—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Ways and Means:

To the Congress of the United States:

I am pleased to transmit to the Congress the second annual report on the operation of the Automotive Products Trade Act of 1965. By this Act Congress authorized implementation of the United States-Canada Automotive Products Agreement.

The Agreement was designed to create a broader U.S.-Canadian market for automotive products to obtain for both countries and both industries the benefits of specialization and large-scale production. We have moved far toward this goal.

Automotive trade between the United States and Canada was \$730 million in 1964, the year before the Agreement went into force. Trade in 1967 was over \$3.3 billion. The Agreement has also stimulated increased trade in allied products.

Industry, labor and consumers in both countries continue to benefit from this growth in commerce and from the increased efficiency made possible by the Agreement. It is dramatic proof of what can be accomplished when friends and neighbors choose the path of cooperation.

LYNDON B. JOHNSON.

THE WHITE HOUSE, May 17, 1968.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

FARM CREDIT ADMINISTRATION AMENDMENTS

The Clerk called the bill (H.R. 16674) to amend the Federal Farm Loan Act and the Farm Credit Act of 1933, as amended, to improve the capitalization of Federal intermediate credit banks and production credit associations, and for other purposes.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

TTEMPORARY FUNDING OF THE EMERGENCY CREDIT REVOLVING FUND

The Clerk called the joint resolution (H.J. Res. 1227) to authorize the temporary funding of the emergency credit revolving fund.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the joint resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PUBLIC UTILITY DISTRICT NO. 1 OF KLICKITAT COUNTY, WASH.

The Clerk called the bill (H.R. 859) for the relief of Public Utility District No. 1 of Klickitat County, Wash.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GROSS. Mr. Speaker, reserving the right to object, I should like to ask a question or two of someone who is conversant with the subject matter of the bill. Who gets the benefit of this utility district that has been created?

Mrs. MAY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentlewoman from Washington.

Mrs. MAY. Mr. Speaker, would the gentleman kindly repeat his question. I am not sure that I heard the last part of the question.

Mr. GROSS. The question is: Who gets the benefit of the utility district that was created by virtue of the installation of the lock and dam?

Mrs. MAY. The residents of the city. The sewage and water system is created for them under the public health law of the State of Washington.

Mr. GROSS. No, who gets the benefit of the utility district that was created?

Mrs. MAY. The public utility district has always been there. It has been there for many years.

Mr. GROSS. But the problem arises out of the dam and lock which was installed; is that not true?

Mrs. MAY. I would say the entire Northwest and industry and the United States of America would benefit.

Mr. GROSS. The United States of America?

Mrs. MAY. Yes.

Mr. GROSS. You would not say that the taxpayers of Iowa get very much direct benefit; would you?

Mrs. MAY. I would, sir. I think any power project that develops any part of our natural resources of our region does benefit the Nation as a whole.

Mr. HUNGATE. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. HUNGATE. I think the gentleman has made a point. But I think it is a matter that might very well arise in Iowa. I am sure it could in Missouri.

This land was condemned and paid for and the people were forced to move the sewer system. Their sewer system met the existing standards, as an existing sewer system under the grandfather clause. When they moved, they had to meet the standards and now I understand that causes an additional expense.

Mr. GROSS. I will say to the gentleman that I understand perfectly the predicament of these comparatively few people who have been moved out and who are sought to be reestablished. But along the line somebody was shortsighted in that they did not make proper provision when they moved them out and relocated them. I do not understand that failure. Why are you now coming to the taxpayers through a forgiveness procedure to take care of this? Why was this not considered when this utility district was established? This is a question that in my opinion needs to be answered. It is a matter of principle. I feel sorry for these people and I want to help them, but I do not want to see this repeated. I think the obligation is upon those who created the utility district and upon those who gain the benefit from the district to take care of these people.

Mr. HUNGATE. I think the gentleman makes a good point. It would have been well if someone had foreseen the fact that in relocating this to establish a fund for a Cadillac sewer system instead of a Model T sewer system, but that did not happen.

These relatively few people are victims so far as I know. They did not seek the new project. They did not want to move the town and I think in behalf of the United States, this is the least we can do.

Mr. GROSS. So far as the burden of this is concerned, I do not know how they are going to pay for the maintenance of the water and sewage system they now have.

Mr. HUNGATE. I think what we are simply concerned with is at least leaving them as well off as we found them. We are not adopting them—we do not guarantee their future—that is their own problem.

Mr. GROSS. When you say "we," if you want to be part of that "we" all right. But I want to be left out of this "we." I do not know that I had a thing to do with creating this project and subsequent problem. It is the people out there who are getting the benefit of this—not your people in Missouri nor my people in Iowa—despite what may be

said here on the floor. They are getting the direct benefit of this utility district, not my people and not your people.

Mr. HUNGATE. The benefits we are conferring here are the same as those you confer when someone has had his leg broken and you set it for him. We are really not financing these people at all. We are trying to make them whole again. When I say "we" I speak not only for myself but I am sure I speak for more Members of this Congress, and most of them I think, who are men of stature in this Congress who would like to do something when they see a situation of injustice like this in the country and the situation has to be alleviated.

Mr. GROSS. I do not want anyone penalized because of an injustice, and the gentleman has referred to an injustice in which I had no part.

Mr. HUNGATE. I have not meant by this statement anything by which I would intend to infer that he had any part in the origin of this—I would not do that.

Mr. GROSS. The gentleman from Missouri should know that a Member of Congress cannot exactly acquit himself in some of these situations in which mistakes are made by wrapping the flag around himself and saying that out of compassion for my brother I will run to the U.S. Treasury and attempt to rectify the error or injustice by spending money. I do not buy that, and I want the record to clearly show that I do not buy it. Those in Government who make the mistakes ought to be held to account.

Mr. HUNGATE. I think the record will reveal that the gentleman does not buy it.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

H.R. 859

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Public Utility District Numbered 1 of Klickitat County, Washington, the sum of \$31,000. Such sum represents payment for amounts expended by the district to construct a sewer and water system for the unincorporated city of Roosevelt, Washington, which was relocated because of the inundation of the original townsite by waters of the reservoir created by the construction of the John Day lock and dam project of the Department of the Army.*

Sec. 2. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### HOOD RIVER COUNTY, OREG.

The Clerk called the bill (H.R. 3165) for the relief of Hood River County, Oreg.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

#### PROVIDING FOR THE REAPPOINTMENT OF DR. CRAWFORD H. GREENEWALT AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the joint resolution (S.J. Res. 142) to provide for the reappointment of Dr. Crawford H. Greenewalt as Citizen Regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the joint resolution, as follows:

S.J. RES. 142

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members of Congress, which will occur by the expiration of the term of Doctor Crawford H. Greenewalt, of Wilmington, Delaware, on April 6, 1968, be filled by the reappointment of the present incumbent for the statutory term of six years.*

(Mr. JONES of Missouri asked and was given permission to extend his remarks at this point in the Record.)

Mr. JONES of Missouri. Mr. Speaker, the Board of Regents, pursuant to 20 United States Code 42, is composed of the Vice President, the Chief Justice, three Senators, three Members of the House, and six citizens other than Members of Congress. The Citizen Regents are appointed by joint resolution of Congress for 6-year terms.

The three Citizen Regents involved in the joint resolutions have served prior terms on the Board of Regents. They serve without salary but are reimbursed travel expenses when attending meetings.

The Smithsonian Institution fully supports reappointment. The joint resolutions have passed the Senate, and were reported unanimously from the House Administration Committee. There is no opposition to these reappointments.

The Senate joint resolution was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### PROVIDING FOR THE REAPPOINTMENT OF DR. CARYL P. HASKINS AS CITIZEN REGENT OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

The Clerk called the joint resolution (S.J. Res. 143) to provide for the reappointment of Dr. Caryl P. Haskins as Citizen Regent of the Board of Regents of the Smithsonian Institution.

There being no objection, the Clerk read the joint resolution, as follows:

S.J. RES. 143

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the vacancy in the Board of Regents of the Smithsonian Institution, of the class other than Members*

# Senate

MONDAY, MAY 20, 1968

The Senate met at 12 noon, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in whose keeping are the destinies of men and nations, endue with Thy wisdom our fallible minds as we face decisions with the background of fearful forces of nature which, if not harnessed by mutual good will, may destroy us utterly.

Give us greatness of soul that the keys of new power may be used to open doors, not of peril, but of plenty for the whole earth.

By tasks too difficult for us, we are driven unto Thee for strength to endure and wisdom to interpret rightly the signs of these testing times.

Save those who minister here from false choices, and guide their hands and minds to heal and bind, to build and to bless.

For—

"We are watchers of a beacon whose light must never die;  
We are guardians of an altar that shows Thee ever nigh;  
We are children of Thy freemen who sleep beneath the sod;  
For the might of Thine arm we bless Thee: Our God, our Father's God."

Amen.

## THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Friday, May 17, 1968, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the legislative calendar, under rule VIII, be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that statements in relation to the transaction of routine morning business be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## SUPCOMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommit-

tee on Business and Commerce of the Committee on the District of Columbia be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 1108, 1110, and 1114.

The PRESIDENT pro tempore. Without objection, it is so ordered.

## AMENDMENT OF THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT

The Senate proceeded to consider the bill (S. 2276) to amend the Watershed Protection and Flood Prevention Act to permit the Secretary of Agriculture to contract for the construction of works of improvement upon request of local organizations which had been reported from the Committee on Agriculture, with an amendment on page 1, at the beginning of line 8, strike out "unless requested to do so by the local organization" and, in lieu thereof, insert a colon and "Provided, That, if requested to do so by the local organization, the Secretary may enter into contracts for the construction of structures.", so as to make the bill read:

S. 2276

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(2) of the Watershed Protection and Flood Prevention Act is amended to read as follows:*

"(2) Except as to the installation of works of improvement on Federal lands, the Secretary shall not construct or enter into any contract for the construction of any structure: Provided, That, if requested to do so by the local organization, the Secretary may enter into contracts for the construction of structures."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report—No. 1125—explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This bill amends the Watershed Protection and Flood Prevention Act to permit the Secretary of Agriculture, upon the request of the local organization, to contract for the construction of works of improvement. At present the Secretary is prohibited from constructing, or contracting to construct, such works, so the contracting must be done by the local organizations.

Local organizations frequently are inex-

perienced in contract administration, and act under the supervision of the Secretary, with added difficulty for the local organization, the Secretary, and contractors. The bill, by permitting the Secretary to execute the contract, would result in lower cost, save time, avoid disputes, and strengthen operation of the program. It has no effect on the respective contributions of the United States and the local organization to the financing of the project, except to the extent that it would reduce administrative costs.

The committee amendment, which was suggested by the Department, would make it clear that the Secretary could not undertake construction, but would be limited to contracting for such construction.

## EMERGENCY CREDIT REVOLVING FUND

The joint resolution (S.J. Res. 168) to authorize the temporary funding of the Emergency Credit Revolving Fund was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S.J. RES. 168

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commodity Credit Corporation is hereby authorized and directed to make advances to the Emergency Credit Revolving Fund (7 U.S.C. 1966) in a total amount not to exceed \$30,000,000. Such advances together with interest at a rate which will compensate Commodity Credit Corporation for its cost of money during the period in which the advance was outstanding shall be reimbursed out of appropriations to the fund hereafter made.*

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1127), explaining the purposes of the joint resolution.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

This joint resolution would direct the Commodity Credit Corporation to advance up to \$30 million to the emergency credit revolving fund. The advances would later be repaid with interest out of appropriations to the fund. The background and need for this legislation is explained in the attached report from the Secretary of Agriculture recommending its enactment.

## INTER-AMERICAN DEVELOPMENT BANK

The bill (H.R. 15364) to provide for increased participation by the United States in the Inter-American Development Bank, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

H.R. 15364

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Inter-American Development Bank Act (22 U.S.C. 283-283m) is amended by adding at the end thereof the following new section:*

"SEC. 17. (a) The United States Governor of the Bank is hereby authorized (1) to vote for an increase in the authorized capital stock of the Bank under article II, section 2, of the agreement as recommended by the Board of Executive Directors in its report of April 1967, to the Board of Governors of the Bank; and (2) to agree on behalf of the United States to subscribe to its proportionate share of the \$1,000,000,000 increase in the authorized callable capital stock of the Bank.

"(b) There is hereby authorized to be appropriated, without fiscal year limitation, for payment by the Secretary of the Treasury of the increased United States subscription to the capital stock of the Inter-American Development Bank, \$411,760,000."

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CARLSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1131), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

#### 1. PURPOSE OF THE BILL

H.R. 15364 amends the Inter-American Development Bank Act of 1959 (Public Law 86-147) to authorize the U.S. Governor of the Bank (the Secretary of the Treasury) to vote in favor of a \$1 billion increase in the Bank's authorized callable capital stock. The U.S. Governor is also authorized to agree on behalf of the United States to subscribe this Nation's proportionate share of the increase, amounting to \$411,760,000. The bill further authorizes appropriation of the last-named sum, without fiscal year limitation. These funds will be requested in 1968 and in 1970 in two equal appropriations of \$205,880,000 each. Such subscriptions to callable capital stock in themselves do not involve any budgetary expenditure. Moreover, the Bank to date has not had any occasion to levy a call on existing capital shares, and it is considered very unlikely that such a requirement for cash payments would occur in the foreseeable future.

#### 2. BACKGROUND

The Inter-American Development Bank, established in 1959, and with lending experience dating from 1916, currently has 21 member countries which are all represented in the Organization of American States. Having withdrawn from the OAS, Cuba is not eligible for membership. The Bank is designed to accelerate economic and social development in the Latin American member countries and is generally modeled upon the organization and procedures of the International Bank for Reconstruction and Development, or World Bank.

As of the beginning of 1968, the Inter-American Bank had authorized an overall total of roughly 450 loans from its resources, involving the equivalent of almost \$2.4 billion. These sums actually represent a minority participation in Bank projects for development in Latin America which total approximately \$6.4 billion; in accord with the emphasis placed on self-help by the Bank, the Latin American borrowers themselves are investing the greater portion of the funds needed for the projects. Not only does the Bank maintain rigorous criteria for its financing, it also engages in extensive coordination with other international and national development institutions and agencies. In particular, the Bank has undertaken to give special attention to the views of the

Inter-American Committee on the Alliance for Progress (CIAP, as it is abbreviated from the Spanish).

Since the Bank commenced operating in 1960 it has conducted its activities through one "hard-loan" window, the ordinary capital account, and two "soft-loan" windows, the Fund for Special Operations (FSO) and the Social Progress Trust Fund (SPTF). These three funds are kept completely separate from each other. In 1965, however, the three windows in effect were reduced to two when the funds available to the SPTF (\$525 million entirely supplied by the United States) were not replenished after use, and its social development functions were taken over by the FSO. The Fund for Special Operations last year was provided with the assurance of additional lending resources of \$1.2 billion from the Bank members over a 3-year period. The pending request from the Bank concerns only the ordinary capital, or hard-loan window.

#### 3. BANK ORDINARY OPERATIONS

The following table illustrates the authorized capital stock resources of the Bank taking account of the original 1959 authorization, the 1964 increase and the increase proposed for this current calendar year:

	Total	U.S. share
Original capital	850	350.00
Of which paid in	(400)	(150.00)
Of which callable	(450)	(200.00)
1964 increase in callable capital	1,000	411.76
1964 increase in capital for subscription by possible future members	300	—
Authorized total	2,150	761.76
Proposed 1968 increase in callable capital	1,000	411.76
Authorized total after increase	3,150	1,173.52

From these figures it will be seen that only some \$400 million of the total current authorized capital has actually been paid into the Bank. The bulk of the ordinary lending resources increasingly are derived from the Bank's bond issues in private capital markets here and abroad. The Government-guaranteed backing for these bonds (which have a triple A rating) is afforded by the callable subscriptions to the capital stock. These callable amounts are not paid in cash when subscribed and appropriated; they remain only a book entry unless needed to make good on guarantees that cannot be covered otherwise. The "funds" appropriated for the U.S. shares of callable capital since 1959 thus have remained with the U.S. Treasury.

Through the end of 1967, ordinary capital loans from the Bank on normal commercial terms numbered 155, involving authorizations for \$901 million; over half that sum had been disbursed, and some \$62 million had already been repaid. By that same date, there had been 77 loans totaling about \$380 million equivalent devoted to industrial and mining projects, 26 loans of roughly \$188 million for agriculture and 18 loans of about \$180 million for electric power. Other areas receiving smaller sums were transportation, water, and sewage, export financing and pre-investment studies. It should be noted that Bank lending and technical assistance are not confined to strictly national projects, but are increasingly being devoted to multinational areas in keeping with the aims of regional economic integration.

The terms for loans from the Bank's ordinary capital are what are usually described as "hard": that is, they reflect the cost of the funds borrowed by the Bank from private markets. Also, principal and interest are payable in the currencies loaned, and maturity dates range between 7 to 20 years, with the

average running at about 15 years. Currently the interest rate on dollar loans is 7 3/4 percent, and a standard commitment fee of 1 1/4 percent is charged on the unused balance of such loans, commencing to accrue 60 days after signature of a loan contract. Charges are slightly higher on loans made from resources obtained by bond flotations in the capital markets of nonmember countries. Through these terms the Bank has been able to accumulate ordinary capital reserves now approaching the \$45 million mark.

#### 4. THE CURRENT PROPOSAL

In a report of April 1967 the Bank's Executive Directors set forth a goal of maintaining an ordinary capital lending rate of \$175 million a year for the period 1968-70. However, as of December 31, 1967, the Bank had available cash funds of about \$52 million and remaining borrowing capacity of roughly \$98 million, giving a total of approximately \$150 million, which would not even cover the projected lending rate for 1 year.

The reason for the limited borrowing authority remaining to the Bank lies in agreements made with bondholders when the first borrowing was made in 1962. The Bank undertook that it would limit its borrowings and guarantees to the amount of the subscription of the United States to the Bank's callable capital. It did so in order to acquire the highest ratings for its bonds and to hold down the cost of money borrowed from the private market, which in turn is reflected in the interest rates on loans to Bank members.

Accordingly, the Bank's Board of Governors in April 1967 recommended to member governments the proposed \$1 billion expansion of authorized callable ordinary capital stock. The proposal will become effective in October 1968 if members subscribing to at least 75 percent of the increase, \$750 million, accept it through their standard constitutional procedures. Each country is scheduled to share in the increase in the same proportion as its existing share in current total authorized stock. Thus the U.S. share remains at 41.18 percent; there also has been no change in the 42-percent voting power of the United States. All subscriptions are to be made in two installments in 1968 and 1970, and no country's subscription to either installment will become effective until 75 percent of subscriptions for each installment are completed. Enough countries have completed action so that the U.S. subscription will bring the increase into effect.

#### 5. COMMITTEE ACTION

The President of the United States, in his budget message of January 29, 1968, stated his intention of requesting an increase in the U.S. subscription to the callable capital of the Inter-American Bank. On February 8 there was referred to the Committee on Foreign Relations a letter from the Secretary of the Treasury transmitting a draft of proposed legislation to give effect to the Presidential determination. An NAC report favoring such action was received by the committee on February 27 from Secretary Fowler in his capacity as Chairman of the National Advisory Council on International Monetary, and Financial Policies. On February 15 Senator Fulbright, by request, introduced S. 2975, a virtually identical bill to H.R. 15364, to provide for U.S. participation in the proposed increase in callable capital of the Bank. However, the House of Representatives passed its companion bill on March 19, 1968, and H.R. 15364 was referred to the Foreign Relations Committee the following day.

The committee held a public hearing on H.R. 15364 on March 25, receiving testimony from Under Secretary of the Treasury Joseph W. Barr; Robert M. Sayre, Deputy Assistant Secretary of State for Inter-American Affairs; and Reuben Sternfeld, alternate U.S. Executive Director of the Inter-American Bank. Thereafter the bill was considered in execu-





# **DIGEST of Congressional Proceedings**

## **OF INTEREST TO THE DEPARTMENT OF AGRICULTURE**

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued For actions of May 24, 1968  
May 23, 1968  
90th-2nd; No. 89

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**HIGHLIGHTS:** House passed emergency credit bill. House subcommittee approved potato marketing bill. Sen. Williams, Del., proposed limitation on farm subsidy payments.

### HOUSE

1. **EMERGENCY CREDIT.** Passed without amendment S. J. Res. 168, to authorize CCC to advance up to \$30 million to the emergency credit revolving fund (p. H4229). H. Res. 1227, an identical bill, passed earlier, was tabled (pp. H4188-90, H4223-29). During the debate on the House bill Rep. Michel submitted, then (after discussion on the urgency of the need) withdrew an amendment to provide these funds through supplemental appropriations (pp. H4227-8).

2. CONSERVATION. Passed with an amendment (to substitute the language of H. R. 8578) S. 1401, to amend title I of the Land and Water Conservation Fund Act of 1965. H. R. 8578, passed earlier, 336-13, as reported was tabled (pp. H4187-8, H4190-223). The committee report lists four principal purposes of the bill: "(1) to increase the flow into the land and water conservation fund to \$200 million a year for 5 years; (2) to return to each of the various Federal departments and agencies which administer outdoor recreation facilities the power to fix its own admission and user fees, the fees so collected to be available, upon appropriation, for the use of the collecting agency; (3) to provide authority, on an experimental basis, for the heads of departments authorized to acquire land with appropriations from the land and water conservation fund to enter into contracts for such acquisition in advance of appropriations to the extent of \$30 million during each of the fiscal years 1969 and 1970; (4) to authorize the Secretary of the Interior to lease or sell land within areas administered by the National Park Service upon such conditions as will assure a use of the land consistent with the purpose for which the area in which it lies was established."

Committee

3. POTATO RESEARCH. A subcommittee of the Agriculture/approved for full committee action H. R. 15030, amended, the potato research and promotion bill. p. D475

4. DEFENSE PRODUCTION. The Banking and Currency Committee reported with amendment H. R. 17268, to amend the Defense Production Act of 1950 (H. Rept. 1455). p. H4247

5. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 17267, to remove persons from Federal employment who engage in unlawful acts connected with riots or civil disorders (H. Rept. 1456). p. H4247

6. MANPOWER DEVELOPMENT. Rep. Celler announced hearings on June 5 before a Judiciary subcommittee on S. 1602, and related measures, to create a Northwest Regional Services Corporation to provide a central location for various training centers and programs. p. H4176  
Rep. Dulski commanded the Subcommittee on Manpower and Civil Service for its part in the saving of "\$1.7 million through the use of civil service employees instead of contractor personnel at the Military Ocean Terminal, Bayonne, N. J." pp. H4176-77

7. CONSUMER AFFAIRS. Rep. Madden congratulated the President and the Congress for consumer interests having been so "vigorously advanced." p. H4231

8. TAXATION: EXPENDITURES. Rep. Saylor expressed his opposition to the proposed surtax even with the \$4 or \$6 billion proposed spending cut, stated that "if Government leaders would go for the circuit in slashing nondefense expenditures, rising costs of the Vietnam war could be absorbed without either a budget deficit or a tax boost," and inserted pertinent editorials. pp. H4238-9

Mr. Celler for, with Mr. Hébert against.  
Mr. Morton for, with Mr. Waggoner against.

Mr. Hungate for, with Mr. Edwards of Louisiana against.

Until further notice:

Mr. O'Neill of Massachusetts with Mr. Halleck.

Mrs. Kelly with Mr. Adair.

Mr. Burleson with Mr. Bow.

Mrs. Green of Oregon with Mrs. Bolton.

Mr. Hardy with Mr. Gubser.

Mr. Brasco with Mr. Anderson of Illinois.

Mr. Corman with Mr. Cederberg.

Mr. Dent with Mr. Fino.

Mr. Dingell with Mr. Erlenborn.

Mr. Culver with Mr. Burton of Utah.

Mr. Selden with Mr. Garrison.

Mr. Miller of California with Mr. Denney.

Mr. Hannan with Mr. Hosmer.

Mr. William D. Ford with Mr. Button.

Mr. Morgan with Mr. Kyl.

Mr. Anderson of Tennessee with Mr. Carter.

Mr. Podell with Mr. McCulloch.

Mr. Stratton with Mr. Sandman.

Mrs. Griffiths with Mr. Meskill.

Mr. Gettys with Mr. Cowger.

Mr. Gilbert with Mr. MacGregor.

Mr. Stubblefield with Mr. Shower.

Mr. McMillan with Mr. Hensen of Idaho.

Mr. Murphy of Illinois with Mr. Steiger of Wisconsin.

Mr. Ichord with Mr. Winn.

Mr. Howard with Mr. Vander Jagt.

Mr. Andrews of Alabama with Mr. Tenzer.

Mr. Green of Pennsylvania with Mr. Ashley.

Mr. Hawkins with Mr. Scheuer.

Mr. Brown of California with Mr. Dawson.

Mr. Jacobs with Mr. Karsten.

Mr. Resnick with Mr. Conyers.

Mr. Olsen with Mr. Pool.

Mr. Pickle with Mr. Tunney.

Mrs. Sullivan with Mr. Charles H. Wilson.

Mr. Young with Mr. Watts.

Mr. Purcell with Mr. Holland.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

**THE SPEAKER.** Pursuant to the provisions of House Resolution 1170, the Committee on Interior and Insular Affairs is discharged from the further consideration of the bill (S. 1401) to amend title 1 of the Land and Water Conservation Fund Act of 1965, and for other purposes.

The Clerk read the title of the bill.

**MOTION OFFERED BY MR. ASPINALL:**

**MR. ASPINALL.** Mr. Speaker, I offer a motion.

The Clerk read as follows:

Motion offered by Mr. ASPINALL: Strike all after the enacting clause of the bill, S. 1401, and insert in lieu thereof the text of the bill, H.R. 8578, as passed, as follows:

"That (a) section 2, subsection (a), of the Land and Water Conservation Fund Act of 1965 (78 Stat. 897; 16 U.S.C. 460 1-5), except the fourth paragraph thereof, is repealed; said fourth paragraph is redesignated section 9 of said Act; and subsections (b) and (c) of said section 2 are redesignated (a) and (b), respectively.

"(b) It is not the intent of the Congress by this repealer to indicate that Federal agencies which have under their administrative jurisdiction areas or facilities used or useful for outdoor recreation or which furnish services related to outdoor recreation shall not exercise any authority they may have, including authority under section 501 of the Act of August 31, 1951 (65 Stat. 290; 31 U.S.C. 483a), or any authority they may hereafter be given, to make reasonable

charges for admission to such areas, for the use of such facilities, or for the furnishing of such services. Except as otherwise provided by law or as may be required by lawful contracts entered into prior to May 28, 1963, providing that revenues collected at particular Federal areas shall be credited to specific purposes, all fees so charged shall be covered into a special account under the Land and Water Conservation Fund and shall be available for appropriation, without prejudice to appropriations from other sources for the same purposes, for any authorized outdoor recreation function of the agency by which the fees were collected.

"(c) Section 6, subsection (a), of said Act is amended by striking out the words 'in substantially the same proportion as the number of visitor-days in areas and projects herein-after described for which admission fees are charged under section 2 of this Act'.

"(d). The provisions of subsections (a) and (c) of this section shall be effective March 31, 1969.

"**SEC. 2.** The aforesaid section 2 of the Land and Water Conservation Fund Act of 1965 is further amended by adding at the end thereof the following new subsection:

"(c) OTHER REVENUES.—All revenues received on and after July 1, 1968, and prior to July 1, 1973, to the extent such revenues otherwise would be deposited in miscellaneous receipts of the United States Treasury, under the Outer Continental Shelf Lands Act of 1953 (67 Stat. 462; 43 U.S.C. 1331 et seq.), as amended (including the funds held in escrow under an interim agreement of October 12, 1956, between the United States and Louisiana, to extent the United States is determined to be entitled to such escrow funds), but no more annually than an amount equal to the difference, to be determined by the Secretary of the Interior, between \$200,000,000 and the total revenues and collections estimated to be covered into the fund pursuant to subsections (a) and (b) of this section, as amended.'

"**SEC. 3.** The first sentence of section 4, subsection (b), of the Land and Water Conservation Fund Act of 1965 is amended by deleting 'for a total of eight years' and inserting in lieu thereof 'until the end of fiscal year 1969'.

"**SEC. 4.** The Land and Water Conservation Fund Act of 1965 is further amended by adding thereto the following new section:

"**SEC. 8.** Not to exceed \$30,000,000 of the money authorized to be appropriated from the fund by section 3 of this Act may be obligated by contract during each of fiscal years 1969 and 1970 for the acquisition of lands, waters, or interests therein within areas specified in section 6(a)(1) of this Act. Any such contract may be executed by the head of the department concerned, within limitations prescribed by the Secretary of the Interior. Any such contract so entered into shall be deemed a contractual obligation of the United States and shall be liquidated with money appropriated from the fund specifically for liquidation of such contract obligation. No contract may be entered into for the acquisition of property pursuant to this section unless such acquisition is otherwise authorized by Federal law.'

"**SEC. 5.** (a) With respect to any property acquired by the Secretary of the Interior within a unit of the national park system or miscellaneous area, the Secretary may convey a freehold or leasehold interest therein, subject to such terms and conditions as will assure the use of the property in a manner which is, in the judgment of the Secretary, consistent with the purpose for which the area was authorized by the Congress. In any case in which the Secretary exercises his discretion to convey such interest, he shall do so to the highest bidder, in accordance with such regulations as the Secretary may prescribe, but such conveyance shall be at not less than the fair market value of the interest,

as determined by the Secretary; except that if any such conveyance is proposed within two years after the property to be conveyed is acquired by the Secretary, he shall allow the last owner or owners of record of such property thirty days following the date on which lands they are notified by the Secretary in writing that such property is to be conveyed within which to notify the Secretary that such owners wish to acquire such interest. Upon receiving such timely request, the Secretary shall convey such interest to such person or persons, in accordance with such regulations as the Secretary may prescribe, upon payment by him of, or agreement by him to pay, an amount equal to the highest bid price.

"(b) Within a unit of the national park system or miscellaneous area in which exchange is authorized by law as a method for property acquisition, the Secretary may accept title to any non-Federal property or interest therein within such unit or area and in exchange therefor he may convey to the grantor of such property or interest any federally owned property or interest therein under his jurisdiction within any such unit or area, subject to such terms and conditions as he deems necessary. The values of the properties so exchanged either shall be approximately equal, or if they are not approximately equal, the values shall be equalized by the payment of cash to the grantor from funds appropriated for the acquisition of land for the area, or to the Secretary as the circumstances require.

"(c) The proceeds received from any conveyance under this section shall be credited to the land and water conservation fund in the Treasury of the United States."

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 8578) was laid on the table.

#### GENERAL LEAVE TO EXTEND

**MR. ASPINALL.** Mr. Speaker, I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to extend their remarks on the bill just passed, and to include therewith extraneous material.

**THE SPEAKER.** Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### TEMPORARY FUNDING OF THE EMERGENCY CREDIT REVOLVING FUND

**MR. POAGE.** Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1227) to authorize the temporary funding of the emergency credit revolving fund.

**THE SPEAKER.** The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

#### IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 1227), with Mr. MADDEN in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas [Mr. POAGE], will be recognized for 30 minutes, and the gentleman from Oklahoma [Mr. BELCHER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas.

Mr. POAGE. Mr. Chairman, I yield myself 5 minutes.

The joint resolution provides for the transfer of some \$30 million from the Commodity Credit Corporation account to the account of the Farmers Home Administration, both agencies being within the Department of Agriculture, and the result simply being a transfer of funds within the Department.

The purpose of this measure is to make it possible for the Farmers Home Administration to finance the necessary credit to make crops this year in some 1,326 counties in which there have been declared emergencies as a result of natural disasters. The emergency loan funds of the Farmers Home Administration are exhausted. There are moneys in the account of the Commodity Credit Corporation. We ask that those funds be transferred now in order that these loans may be made next week so that crops may be planted. In most parts of the United States it is already getting late to plant this year's crop. We have faced an unusual number of emergencies as a result of storms, cold weather, floods, and other natural catastrophes, and that this bill does is simply make the money available at this time to take care of those loans prior to July 1, at which time it would be too late to finance crops anywhere in the United States.

Mr. Chairman, I reserve the balance of my time.

Mr. BELCHER. Mr. Chairman, I yield 5 minutes to the gentlewoman from Washington [Mrs. MAY].

(Mrs. MAY asked and was given permission to revise and extend her remarks.)

Mrs. MAY. Mr. Chairman, House Joint Resolution 1227 is of crucial importance to farmers in the United States who have suffered financial losses as the result of a natural disaster and need emergency loans to keep them in business until they can recover.

Under the Consolidated Farmers Home Administration Act of 1961, FHA is authorized to make such emergency loans in any part of the United States, Puerto Rico and the Virgin Islands designated as an "emergency area" by the Secretary of Agriculture.

The Secretary may make an "emergency area" designation if he finds that a natural disaster has caused a general need for agricultural credit which cannot be met by local sources such as banks, farm co-ops, and other responsible lending institutions. The loans are repayable at 3 percent interest after a recipient farmer's income situation returns to normal.

In order to understand the need for this program, Mr. Chairman, it is first

necessary to understand some basic economic facts about agriculture and farming. It takes a tremendous amount of capital to farm in the United States today. A farmer must invest thousands of dollars in machinery, land, and equipment, and have enough working capital available to put in his crop every year.

The large amount of money a farmer must spend on gasoline, labor, parts, seed, and so forth to get his crop in the ground does not come back to him until after the crop is harvested and sold. A farmer often spends almost all his working capital planting his crop, and if disaster strikes his fields before that crop is harvested, he may be left with no produce to sell and no money to prepare for next year's cycle. If he is unable to get credit, he is simply out of business, but if he can get a loan to tide him over he has a good chance to get back on his feet financially with a successful crop next year. Although my references are to field crops, the basic situation is the same for ranchers, fruit growers and other types of agriculture.

The FHA emergency loan program has been of real benefit to U.S. farmers and consumers, Mr. Chairman, and has not been an excessive burden on U.S. taxpayers. The law requires that these loans can only be given to farmers who—and I quote from the law—"have experience and resources necessary to assure a reasonable prospect for successful operation with the assistance of such a loan, and are unable to obtain sufficient credit elsewhere to finance their actual needs at reasonable rates and terms." Since 1949, emergency loans totaling approximately \$1 billion have been made by FHA, and losses have been less than 2 percent of the amount loaned.

The problem now is that an unprecedented need for emergency loans this year has resulted in a severe shortage of available funds. The emergency credit revolving fund, from which the loans are made, is virtually exhausted. The Farmers Home Administration reports that as of April 12, some 2,200 applications totaling nearly \$14 million were pending in the finance office of FHA awaiting sufficient funds for the preparation of checks. In addition, FHA estimates that 5,500 other farmers will need emergency loans totaling approximately \$25 million.

This shortage of loan funds has not resulted from losses, but from an unusually heavy need for emergency lending because of damage to crops, livestock, land, buildings, feed, and machinery in various parts of the United States from freezing temperatures, excessive moisture, snowstorms, and a hurricane. Farmers in my area of the Pacific Northwest have recently suffered from freezing temperatures and wind damage, and I have joined our Governor and State director of agriculture in requesting "emergency area" designations for eight counties in the State of Washington.

The legislation under consideration today would provide temporary funding of the emergency credit revolving fund to meet these pressing needs by authorizing the Commodity Credit Corporation to make advances to the fund in an amount not to exceed \$30 million.

Reimbursement to the Commodity Credit Corporation would come later through the regular appropriation procedure.

Favorable consideration of this bill today is important, Mr. Chairman. I would like to quote a paragraph from our Agriculture Committee report:

Immediate action is required on this bill for the reason that farmers and ranchers are now in the process of planting their 1968 crops. To delay action until an annual appropriation could meet the needs of these people would mean many of them would be deprived of the opportunity to earn their livelihood in 1968. Credit is not available to them from conventional sources on terms long enough to harvest a crop and get it to market. The planting season is sufficiently advanced that a delay of 60 days would be too late for the majority who make use of the funds, if provided in fiscal 1969.

Mr. Chairman, I urge that this bill be passed.

Mr. FOLEY. Mr. Chairman, will the gentlewoman yield?

Mrs. MAY. I yield to the gentleman from Washington.

Mr. FOLEY. Mr. Chairman, I associate myself with the remarks of the gentlewoman from Washington. I wholeheartedly agree this is an emergency measure. It is very much needed.

Many farmers from coast to coast have sustained actual or potential crop damage from natural adversities. In Washington State frosts this spring have caused some damage to fruit crops and I am certain that many growers will find, as their crops develop, appreciable damage and some crop reduction. Most will require emergency sources of credit, and this legislation would authorize the availability of funds for loans to those farmers who will be unable to secure credit from conventional sources. I hope members of the committee will give this proposal overwhelming support.

Mr. BELCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, the need for this legislation is further evidenced by an extremely devastating frost which occurred in the fruit country along the eastern shore of Lake Michigan during the night of May 5-6. In the Michigan counties of Allegan, Berrien, and Van Buren, freezing temperatures lasted from 8 to 10 hours through that Sunday night. Apple orchards were caught in full bloom. Peaches, grapes, plums, pears, and sweet cherries were hurt severely, and only in the best locations where there was good air drainage will there be crops of any consequence. Southern Michigan's cherry crop was already severely damaged due to frost in April.

Shortly after this devastating frost, I received calls from orchardists in my district inquiring of the availability of Government loans to come to their assistance. I soon discovered that the Department of Agriculture administers a program of emergency loans to farmers who have suffered severe crop damage as a result of tornado, drought, flood, hail, and frost. I also ascertained that those three counties have already been declared emergency loan areas under the program. Unfortunately, we are advised,

there are no present funds available out of which loans can be made to qualified orchardists. Passage of this legislation would relieve the situation by a temporary funding of the emergency credit revolving fund.

(Mr. HUTCHINSON asked and was given permission to revise and extend his remarks.)

Mr. BELCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. LANGEN].

(Mr. LANGEN asked and was given permission to revise and extend his remarks.)

Mr. LANGEN. Mr. Speaker, I emphasize the urgency of this legislation.

Mr. Chairman, I urge all Members of this body to support the House joint resolution introduced by myself and others to authorize the temporary funding of the emergency credit revolving fund.

The Committee on Agriculture, in its wisdom, has recognized the financial crisis faced by thousands of American farmers and ranchers, and has recommended favorable consideration of this resolution.

Adverse weather conditions and natural disasters have created an unprecedented need for emergency loans by our farmers in 1,326 counties in 39 States that have been designated emergency areas. They thus become eligible for FHA emergency loans. The credit needs of these farmers cannot be met by other sources, and they cannot continue farming without credit.

The amount of money to be transferred from the Commodity Credit Corporation to the Farmers Home Administration revolving fund is \$30 million. This, coupled with the \$11 million that is expected to be collected on prior emergency loans through June, should be adequate to at least meet the most pressing needs for this growing season, now well underway.

The need for replenishing the emergency fund has not been caused by loan losses, Mr. Chairman. On the contrary. During the 19 years this program has been in operation, approximately 350,000 loans have been made totaling a billion dollars, but losses have been less than 2 percent, representing an excellent track record. The current need for funds stems from an unusually heavy demand for funds caused by natural disasters and conditions that were beyond the control of the farmers. The current depletion of funds available is, of course, due to the Administration's withholding of \$25 million which we appropriated last year for the loan fund. Therefore, it is imperative that we act now while there is still time to assist thousands of farmers in this new growing season.

But we must act now. It would be tragic if thousands more of our farmers and ranchers were forced off the land through the inability to obtain emergency financing. I respectfully urge that favorable action is taken on this resolution to transfer \$30 million as a loan from the CCC to the FHA emergency credit revolving fund.

Mr. BELCHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the emergency that confronts the Farmers' Home Administration is brought about by various disasters throughout the country. The need is urgent. I think one of the greatest departments in the Department of Agriculture has been the Farmers Home Administration. It has done one of the finest jobs which has been done by anyone.

Probably there are better ways to get the funds for the Farmers Home Administration, but apparently this is the only way we can get the funds in time to do the farmers any good, so I am wholeheartedly in support of this bill.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield to the gentleman from North Carolina.

Mr. JONAS. Mr. Chairman, will the gentleman tell us why it is necessary to use this unusual procedure?

In the urgent supplemental bill, which cleared this House several months ago, the Senate put in, without any request from the Director of the Bureau of the Budget or the President, \$25 million for additional funds for FHA. May I ask, is this \$30 million, included in the budget?

Is it requested by the Administration? If so, when did the emergency nature of the situation come to the attention of the Committee on Agriculture?

Mr. BELCHER. I believe that probably the chairman of the committee could more accurately answer the question. However, the reason today we need to transfer the \$30 million is because the Administration has not seen fit to send a request for a supplemental appropriation down to the Congress to take care of the Farmers Home Administration. The only way we can take care of the farmers whose applications are already in is to go this route. Personally I would much prefer to have been able to go the route of a supplemental appropriation, but apparently they did not see fit downtown to take that route.

I do not feel, as a Representative of a farm area, I should let the farmers down just because the Administration will not take care of them.

Mr. JONAS. May I ask the chairman of the committee if he will inform us this afternoon whether this proposal is part of the Administration's program? Is it in the budget? Has any request been made for these funds?

Mr. POAGE. Yes, there has been a request. Mr. Bertsch, the Administrator of Farmer's Home Administration testified before the committee and outlined the Department's position as being in favor of this procedure, as being the most expeditious and the only practical way of getting the money available before planting time.

Mr. JONAS. When was that testimony given?

Mr. POAGE. It was given April 30.

Mr. JONAS. I will say to the distinguished chairman of the committee that we had an urgent supplemental appropriation bill which cleared the House long before that, and since that time we have had two other supplemental requests come down from the Bureau of the Budget. If this is an emergency situation, I cannot understand why we do not get a budget request for the money.

Mr. POAGE. That is right. We had an emergency supplemental appropriation considered before the emergency developed here. At the time that bill was considered, FHA was still able to make the loans. The situation kept getting worse, not only in one State but in some 30 States. It kept getting worse all over the country, until FHA had to ask for this additional sum, which was not requested in the first supplemental. After this request was made there was no reason for putting it in a supplemental, because it was already in the resolution and the resolution passed the other body. There would be no purpose in having it in two requests before the Congress.

Mr. JONAS. Has this procedure ever been followed before?

Mr. POAGE. I do not know whether it has or not.

Mr. JONAS. I would question the advisability of embarking on a brandnew procedure here which bypasses the Bureau of the Budget, which bypasses the budget and bypasses the appropriations process.

We cleared through the House in expeditious time only recently another supplemental request for \$400 million to permit the Bureau of Public Roads to discharge some obligations to contractors. We could have considered this item then if it is requested by the Administration.

Mr. POAGE. This is evidently a part of the program of the administration. The administration came before us and asked for it.

Frankly, the members of the Committee on Agriculture feel we have some responsibility in this connection, and we do not take all of our orders from downtown. We had wondered why somebody else did not see fit to do something in connection with this emergency situation. Nobody else offered to do anything. There were a number of appropriation bills brought before the House. Nobody proposed in those appropriation bills to give any relief for these farmers, although 39 States were involved. We did not realize that the Appropriations Committee felt that it had to wait on a request from the Department. We felt the time had come when the Committee on Agriculture had better try to do something for agriculture and had better try to see that we made a crop this year.

We feel we now have a basis on which we can provide the needed prompt relief and that it cannot be increased. Whereas, if we should go through the procedure the gentleman is suggesting the bill would go back to the other body. The gentleman knows our experience in sending things to the other body. He cannot give us any assurance whether it will come out \$30 million or \$230 million. But if we adopt this method we know we will come out with no more than \$30 million.

If the gentleman is interested, as I know he is, in keeping this within the range that we have fixed here of \$30 million, here is a way to do it, whereas the other way may involve 10 times that amount of money, and we did not want to involve the Government in that unknown amount.

Mr. JONAS. Mr. Chairman, will the gentleman yield further?

Mr. BELCHER. I yield to the gentleman.

Mr. JONAS. The gentleman from North Carolina is not interested in doing anything except finding out what is going on and the reason why we are bypassing all of the regular, ordinary procedures. If this is an emergency, it did not suddenly arise and must have been known to the administration months ago. It must have been known to the President and to the Director of the Bureau of the Budget. I say to the gentleman that neither one asked for this money in the appropriation bill and they did not ask for it in a single one of the supplemental appropriation bills that we have already considered this year in the House. I would remind the gentleman also that the last clause in the resolution provides that this money will have to be reimbursed through appropriations hereinafter made.

Mr. BELCHER. I can say that the Committee on Agriculture moved in these other than ordinary channels for taking care of these funds because the administration had completely bogged down.

Mr. Chairman, I now yield to the gentleman from New Hampshire [Mr. CLEVELAND].

Mr. CLEVELAND. Mr. Chairman, I rise in support of the resolution. As a co-sponsor of this legislation I have attended the hearings before the Agriculture Committee and Rules Committee. This technique of solving the problem at hand, is the only certain and expeditious one we can use at this time. I hope the committee will approve this legislation.

Mr. BELCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman from Oklahoma yielding to me.

For the satisfaction of my friend from North Carolina [Mr. JONAS], who touched on the subject in which I am vitally interested, I would rather not take up the time during general debate, for I have an amendment to offer. I would much prefer to delay the arguments until such time as we read the joint resolution and then offer my amendment and make my remarks at that time.

Mr. BELCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Kansas [Mr. MIZE].

(Mr. MIZE asked and was given permission to revise and extend his remarks.)

Mr. MIZE. Mr. Chairman, I rise in strong support of the resolution.

[Mr. MIZE addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

Mr. BELCHER. Mr. Chairman, I have no further requests for time on this side, and I reserve the balance of my time.

Mr. POAGE. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. DE LA GARZA].

(Mr. DE LA GARZA asked and was given permission to revise and extend his remarks.)

[MR. DE LA GARZA addressed the Committee. His remarks will appear hereafter in the Extensions of Remarks.]

(MR. HATHAWAY (at the request of Mr. DE LA GARZA) was granted permission to extend his remarks at this point in the RECORD.)

Mr. HATHAWAY. Mr. Chairman, I rise in support of this legislation affecting about 10,000 farmers and ranchers.

These farmers and ranchers are operating in counties which have been designated as emergency loan areas by the Secretary of Agriculture to authorize the Farmers Home Administration to make emergency loans. These counties were designated upon the Secretary's finding that natural disasters had caused a general need for agricultural credit which cannot be met by other sources.

These farmers and ranchers are unable to obtain credit from local banks and production credit associations. They cannot continue farming without credit. They will be forced out of business and off the land unless emergency loans can be made to them. The pathetic fact is that emergency loans cannot be made to them because funds are not available for this purpose.

Presently there are 1,326 designated emergency loan counties in 39 States. There has been an unprecedented need for emergency loans this year. This increased need has resulted from—

First. Hurricane Beulah in September of 1967, which, with accompanying floods and tornadoes, did extensive damage to buildings, land, vegetable crops, and livestock in 16 south Texas counties. These counties had already experienced damage to the cotton crop because of a prolonged drought. The drought and other adverse weather conditions prevailed in 178 other Texas counties during 1967;

Second. Freezing temperatures in early November which did extensive damage to the 1967 cotton crop in many counties in Alabama, Arkansas, Georgia, Mississippi, Missouri, North Carolina, South Carolina, and Tennessee. The cotton crop was practically destroyed in most of these counties. Emergency loans are available in 339 counties in these States;

Third. Excessive moisture and freezing temperatures at harvest time in Illinois, Indiana, Iowa, and Ohio which resulted in large volumes of soft corn and seriously interfered with the harvest of corn and soybeans. Many acres were not harvested. In addition, the moisture content of harvest corn is high and prices are greatly depressed. Emergency loans are available in 58 counties in Illinois, 76 counties in Indiana, 40 counties in Iowa, and 53 counties in Ohio;

Fourth. Excessive moisture and freezing temperatures in the early fall of 1967 which seriously interfered with harvesting and damaged the quality of crops in New England, particularly in the potato area of Maine; and

Fifth. Heavy snowstorms which hit Arizona and parts of New Mexico between December 11 and 19. These storms did extensive damage to livestock, buildings, feed, and farm machinery. The greatest damage was to breeding livestock and the livestock increase crop for 1968. Very few ranchers will have any income this year from the sale of live-

stock increases. Thirteen counties in Arizona and four counties in New Mexico were designated as emergency loan areas because of these storms.

Because of the unusually heavy demand for loans, the revolving fund's cash assets were exhausted by the middle of March. Since that time the Farmers Home Administration has been able to make additional emergency loans only as collections are received. This is not the season of the year for heavy collections on agricultural loans and the amount of emergency loan collections during the remainder of this fiscal year are not expected to even approach meeting the needs of farmers and ranchers who have already applied for loans.

A total of 18,540 emergency loans in the amount of \$89,483,900 had been made through March 29 of this fiscal year. At the same time the applications of 1,629 additional farmers in the amount of \$8,297,970 were pending in the finance office of the Farmers Home Administration awaiting adequate funds for the preparation of loan checks. Also, the applications of 2,571 other farmers were being processed in the field. These applications total \$14,749,380. Farmers Home Administration field personnel estimate that an additional 6,272 farmers will need emergency loans in the amount of \$17,952,650 for this crop year.

It is obvious that additional funds are urgently needed. If additional funds are not provided approximately 10,000 farmers will be unable to farm this year because of a lack of credit. I think it is important to our national economy that these farmers have an opportunity to continue farming. Therefore, I have introduced this resolution authorizing the Commodity Credit Corporation to make available \$30 million to the Farmers Home Administration for use in making emergency loans and to provide that the Commodity Credit Corporation will be reimbursed this amount plus interest out of a future appropriation to the emergency credit revolving fund. I am proceeding in this manner because it is the fastest method for making funds available.

The amount of \$30 million plus \$11 million expected to be collected on emergency loans during April, May, and June will be adequate to meet the needs I have described.

The present need for replenishing the emergency credit revolving fund has not been caused by loan losses. This program was initiated on April 6, 1949. Emergency loans have been made to approximately 350,000 farmers and ranchers in the total amount of \$1 billion. Losses have been insignificant—less than 2 percent of the amount loaned.

Mr. Chairman, the proposed resolution which I cosponsored deals with the fate of 10,000 farm families. We can make it possible for these families to remain on the land by enacting this legislation—or we can fail to enact it and watch them depart into a very uncertain future. Time is of the essence in this matter. Loans are needed now for this year's farming. Three weeks from now may be too late.

(Mr. JOHNSON of California (at the request of Mr. DE LA GARZA) was granted permission to extend his remarks at this point in the RECORD).

Mr. JOHNSON of California. Mr. Chairman, I rise in support of House Joint Resolution 1227, which is brought to the House of Representatives for consideration with the unanimous support of the Committee on Agriculture. As one of the coauthors of this legislation, I certainly want to commend Chairman POAGE and members of the committee for their very expeditious action on this emergency matter.

House Joint Resolution 1227 would authorize the Commodity Credit Corporation to make advances to the emergency credit revolving fund of the Farmers Home Administration in an amount not to exceed \$30 million. This action is urgently needed because of the problems which have plagued this Nation over the past year and a half going back to Hurricane Beulah, in September 1967, and including the rain, hail, and freezing storms which have hit many areas of the country.

As a result of these and other disasters, more than 1,300 of the Nation's counties have been designated as disaster areas by the Secretary of Agriculture. And I must note that included in this list are several of the 20 mountain-valley counties which make up the Second Congressional District of California. These disasters have caused a tremendous demand upon emergency loan funds.

At the middle of last month there were some 2,250 applications for nearly \$14 million in loan money pending before the Farmers Home Administration. These were ready to go and all that was needed was money. These are farmers who have suffered critically from disaster and who have no other place they can turn. In addition to this 2,250 approved applications, there are probably another 5,000 either now being processed or pending further action, awaiting some solution to the money problem.

Mr. Chairman, we are asking for an advance of \$30 million from the Commodity Credit Corporation. This is an advance that will be repaid following regular appropriations. Accordingly, while all of us are concerned about expenses in Government, this is not an area where this concern is germane. First of all, I believe in the period of crisis we must rise to provide the assistance that our citizens need if they are to keep their farming operations healthy and operating and beneficial to the economy of our Nation; and, second, this is only an advance and not a grant so we are not increasing the cost of the operations substantially.

Mr. Chairman, for some this assistance comes too late. I am thinking personally of a lady whose grape crop was destroyed by hail last fall. She is one of those who was awaiting emergency loan assistance to get herself back on her feet this year. Because of the lack of money in the fund, her grapes have not received the irrigation they need and the vines have died.

Let us not permit this tragedy to occur in other areas where we can, by quick action on the part of this Congress, make emergency funds available to those who have been temporarily crippled by natural disasters.

(Mr. HUNGATE (at the request of Mr. DE LA GARZA) was granted permission to extend his remarks at this point in the RECORD.)

Mr. HUNGATE. Mr. Chairman, the resolution which we are considering would provide assistance for farmers who have suffered from natural disasters. It would transfer \$30 million as a loan from the Commodity Credit Corporation to the Farmers Home Administration's emergency credit revolving fund. Money then would be available for the relief of farmers who operate in areas designated by the Secretary of Agriculture as "emergency loan areas."

A series of disasters throughout the country—hurricanes, freezing temperatures, excessive moisture, heavy snowstorms, floods—depleted FHA loan funds, making it impossible for all eligible farmers to obtain assistance to meet their needs. They require immediate help because they are in the process of planting 1968 crops and to delay action until approval of an annual appropriation would deprive them of the opportunity to earn their livelihood. Because many of these hard-pressed farmers cannot obtain credit from other sources they are dependent upon emergency loans from the FHA fund.

Between April and August of 1967, Missouri agriculture was beset by abnormally cool weather, excessive rainfall, and severe flooding. Cropland in 59 Missouri counties was damaged as 226 levees were broken by massive floods. The Department of Agriculture has named 21 of the 26 counties in the Ninth Congressional District as eligible for emergency loan assistance.

I recognize the difficult tight money situation facing us, but lending is not spending and the same tight money situation faces each of these disaster-stricken individual farmers. There are more than 7,000 farm families who are awaiting our action on this resolution. I respectfully urge approval of House Joint Resolution 1227.

Mr. CULVER. Mr. Chairman, today, the House of Representatives is scheduled to consider House Joint Resolution 1227, to authorize the temporary funding of the emergency credit revolving fund of the Farmers Home Administration.

This legislation was important to many farmers in my congressional district when it was reported from the House Agriculture Committee on May 1. But with the devastating tornadoes which occurred last week, it has assumed even more immediate and critical significance for Iowa farmers.

In Fayette County alone, at least 20 homes and 45 farm buildings were seriously damaged by the sudden storm, and preliminary estimates place the loss figures at \$1 million in just that one isolated area.

The emergency credit revolving fund of the Farmers Home Administration provides the best source of assistance to these farmers, who cannot hope to recover these losses through ordinary credit means. Yet that fund has been exhausted.

Unless we take immediate steps to add money to that fund, these farmers and other operators all over the country like them, will not be able to plant and harvest a crop this season. Few farmers can afford to miss an entire crop year, and many will be forced out of farming completely unless assistance is forthcoming.

Even before last week's storms, which struck not only Iowa but wide areas of the entire Middle West, the Department of Agriculture had advised the Congress that more than 2,200 farmers and ranchers had submitted applications for nearly \$14 million in emergency loans. The Department estimated that another 5,500 needed loans totalling close to \$25 million.

The legislation before the House today, combined with the amount to be collected in interest and repayment in the revolving fund, will help to meet the most urgent needs for the remainder of the current fiscal year.

I would point out to all of those concerned about economy in the Federal Government that this legislation does not require any additional expenditure of funds. It merely transfers existing funds from the Commodity Credit Corporation, which are not presently being used, to the emergency credit fund. It is intended that the CCC will be fully reimbursed from further funds.

Mr. Chairman, the record of the revolving fund indicates the soundness of this investment. Since it was established nearly 20 years ago, approximately \$1 billion has been loaned from the fund. The collection record is 95.9 percent of maturities, and losses have been less than 2 percent of the amount loaned.

Mr. Chairman, because of a long-standing commitment to deliver a commencement address in my congressional district tonight, it may be necessary for me to leave for Iowa before the vote on this legislation today.

However, I cannot emphasize strongly enough the vital importance of this measure, and I am confident that the House will approve this resolution today, so that farmers in designated disaster areas throughout the country can begin their recovery efforts and continue their operations in the current crop year.

Mr. POAGE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

H.J. RES. 1227

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commodity Credit Corporation is hereby authorized and directed to make advances to the Emergency Credit Revolving Fund (7 U.S.C. 1966) in a total amount not to exceed \$30,000,000. Such advances together with interest at a rate which will compensate Commodity Credit Corporation for its cost of money during the period in which the advance was outstanding shall be reimbursed out of appropriations to the fund hereafter made.*

AMENDMENT OFFERED BY MR. MICHEL

Mr. MICHEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MICHEL: Strike out everything after the enacting clause and insert in lieu thereof the following:

"That the following sum is appropriated, out of any money in the Treasury not otherwise appropriated, to supply a supplemental appropriation for the fiscal year ending June 30, 1968, and for other purposes, namely:

"DEPARTMENT OF AGRICULTURE

"Farmers Home Administration

"For an additional amount for the 'Emergency Credit Revolving Fund', \$30,000,000 to remain available until expended."

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. MICHEL. Mr. Chairman, I do not argue with the objectives of this joint resolution, but only with the means of achieving the objective. There is no question but what the Farmers' Home Administration is in a bind. You will recall that during the debate on the regular agriculture appropriation bill we made the point that we probably would have provided \$50 million more in that bill were it not for the limitation we imposed upon ourselves to keep our overall bill 5 percent below last year's expenditure level.

Now, Mr. Chairman, this is an emergency situation. The normal procedure would be, as the gentleman from North Carolina [Mr. JONAS] pointed out so ably for us to get a supplemental budget request, from the Administration if there really is a serious problem. Then hearings would be conducted before our Agriculture Subcommittee on Appropriations, and then action taken by the full Appropriations Committee in due course.

The problem is two-fold, first the reluctance on the part of the administration to come forward with a budget estimate. And, second, a supplemental would probably, if it did get voted on in this House, could conceivably go across to the other body and be loaded down with a multitude of other items to make it completely unacceptable to most of the Members of this House.

So, here we are. Planting time is upon us and we are just up against it like we have never been before. It is an emergency situation.

But, Mr. Chairman, I do object to the use of this back-door approach to the Commodity Credit Corporation, because time and time again people on the floor of this House have objected to our voting vast sums, billions of dollars, to restore the capital impairment of the Commodity Credit Corporation. And what we are doing here is using this mechanism by which we are not anteing up anything, now, but you wait a year or a year and a half from now when we have to restore CCC's net realized losses, then we will have to cough up and pay the bill in dollars appropriated.

Mr. Chairman, it seems, as the gentleman from North Carolina said, to be a bad precedent for us to use this mechanism. Conceivably the Committee on Agriculture could fund all the activities of the Department of Agriculture through the Commodity Credit Corporation and then there really would be no reason for our appropriation subcommittee sitting, except to restore 1 year or a year and a half afterwards the net realized losses of the Commodity Credit Corporation.

So it does set a very bad precedent. And as long as we do have this multi-billion-dollar corporation we ought to be very much aware of what we are doing here.

I certainly do not want to be the culprit here by holding up or denying to the farmers these much-needed loan funds. However, I would like to have some assurance to the effect that this is a very unique kind of situation, it is an emergency situation, and it will not be setting the kind of precedent that would lead to this becoming a normal routine procedure for the legislative Committee on Agriculture to pursue.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Texas.

Mr. POAGE. I would like to say that I think the gentleman from Illinois has analyzed this fairly and clearly to the effect that this is not the best method of handling the financing difficulty of the Farmers Home Administration; and that it is not the plan of the Committee on Agriculture to use this as a means of normal financing. We simply find ourselves in the position that planting time is almost over in most of the United States. If the money is going to do the farmers any good it must be there next week and not next month. If we put any item on here, it has to go back to the other body. If you want that to happen, it is going to delay us at least a week, while right now action is urgent in order to keep the program going. If the other body should decide to make other changes and use this as a horse to load a good many other burdens onto, it would effectively kill the whole program. For that reason and only for that reason I would hope that the gentleman from Illinois might see fit to withdraw his amendment, not because we find fault with the purpose of the amendment, but because we know of one way of achieving this now and that is to use this method which really gives you the assurance now that the procedure to which the gentleman from Illinois has previously referred will not be followed in the future.

I am sure that the ranking minority Member will give like assurances that we do not intend to make it a practice of using it, and we do consider this to be a unique situation.

Mr. MICHEL. I appreciate having that statement by the chairman, and I would hope that the gentleman from Oklahoma [Mr. BELCHER] might see fit to see it the same way and give us that similar assurance, because I believe we ought to have it very clearly spelled out in the proceedings of this RECORD that it is unmistakably one of those kind of unique situations which we do not expect to come up again.

Mr. BELCHER. Mr. Chairman, if the gentleman will yield, I would say to the gentleman that I regretfully consented to this type of method being used. I believe it would have been much better, and I would certainly have preferred that the Department of Agriculture had requested a supplemental appropriation for this purpose.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(On request of Mr. BELCHER, and by unanimous consent, Mr. MICHEL was allowed to proceed for 3 additional minutes.)

Mr. BELCHER. If the gentleman from Illinois will yield further, I am sure that the Committee on Appropriations, knowing the situation of the Farmers Home Administration, would have at the very earliest possible time have appropriated the \$30 million. That procedure was not followed. The Director of the Farmers Home Administration came down to the Committee on Agriculture, and asked us to use this procedure because to use any other procedure at this late hour would certainly have—well, it would just completely have let down the farmers who have suffered disasters. It is only for that purpose that I did consent to this type of operation at all.

I certainly hope that all the administrations in the future will see fit to use the appropriation route, and not this particular method. I most certainly do not want this to establish any precedent or give anybody the idea that at any time in the future we will start adopting or will again adopt this same procedure.

Mr. MICHEL. Mr. Chairman, I appreciate the gentleman from Oklahoma [Mr. BELCHER] adding to the assurances given on the part of the chairman of the committee, and on the assurances of both the chairman and of the ranking minority member, I would ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MYERS. Mr. Chairman, would the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Indiana.

(Mr. MYERS asked and was given permission to revise and extend his remarks.)

Mr. MYERS. Mr. Chairman, I rise in complete support of this resolution of which I am a cosponsor. The question has come up this afternoon that the procedure used to obtain the much-needed funds is not proper or questions the precedence of the House. The further question is if this is really an emergency. Let me say that I discovered in mid-March while back in Indiana that the Farmers Home Administration was out of money with many applications for loans unfilled. Upon returning to Washington, I called FHA and was told that legislation was to be introduced to help alleviate this problem. I joined in this procedure which I am certain is the fastest way to help these needy farmers. I think we can say that the Department of Agriculture and the FHA failed in correctly anticipating the need for adequate funds to loan this spring. The question today is are we going to help these farmers by passing this legislation? I am confident that all of us are willing and want to assist in this problem by voting for House Joint Resolution 1227.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. MADDEN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the joint resolution (H.J. Res. 1227) to authorize the temporary funding of the emergency credit revolving fund, pursuant to House Resolution 1173, he reported the joint resolution back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was passed.

A motion to reconsider was laid on the table.

Mr. POAGE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate joint resolution (S.J. Res. 168) to authorize the temporary funding of the emergency credit revolving fund, an identical resolution to the one just passed and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 168

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Commodity Credit Corporation is hereby authorized and directed to make advances to the Emergency Credit Revolving Fund (7 U.S.C. 1966) in a total amount not to exceed \$30,000,000. Such advances together with interest at a rate which will compensate Commodity Credit Corporation for its cost of money during the period in which the advance was outstanding shall be reimbursed out of appropriations to the fund hereafter made.*

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution (H.J. Res. 1227) was laid on the table.

GENERAL LEAVE

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PROGRAM FOR WEEK OF MAY  
27, 1968

(Mr. GERALD R. FORD asked and was given permission to address the House for 1 minute.)

Mr. GERALD R. FORD. Mr. Speaker, I have asked for this time for the purpose of asking the distinguished majority

leader about the program for the rest of this week and the schedule for next week.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. GERALD R. FORD. I yield to the gentleman.

Mr. ALBERT. Mr. Speaker, in response to the inquiry of the distinguished minority leader, the program for the week has been completed.

The program for next week is as follows:

On Monday, District day, there are four bills.

H.R. 15280, to amend the District of Columbia Public Education Act so as to make Federal City College a land grant college;

H.R. 17417, to prohibit extortion in the District of Columbia;

H.R. 16948, to remove at the expense of the District of Columbia buildings destroyed in riots or other civil disorders; and

H.R. 17414, to provide for the prevention and control of air pollution in the District of Columbia.

In addition to the District bills, there are two bills as follows:

H.R. 17324, extension of Renegotiation Act—open rule, 2 hours of debate; and

H.R. 14907, Federal Credit Union Act Amendments—open rule, 1 hour of debate.

On Tuesday, the Departments of State, Justice, and Commerce, the judiciary, and related agencies appropriations bill, fiscal year 1969.

On Wednesday with reference to the bill, H.R. 15414, the Tax Adjustment Act of 1968, there will be a motion to instruct the conferees, about which the gentleman from Massachusetts [Mr. BURKE] advised the House yesterday.

There is also scheduled for Wednesday the bill, H.R. 15794, the U.S. Grain Standards Act, under an open rule with 1 hour of debate.

I may advise Members now, as we have previously advised the House, that there will be no legislative business from the close of business on Wednesday, May 29, until noon, Monday, June 3.

This announcement is made, of course, subject to the usual reservation that conference reports may be brought up at any time, and that any further program may be announced later.

ADJOURNMENT OVER UNTIL  
MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER pro tempore (Mr. MATSUNAGA). Is there objection to the request of the gentleman from Oklahoma?

Mr. GROSS. Mr. Speaker, reserving the right to object, on this vote next week on the Tax Adjustment Act, that would in no way involve the conference, or the work of the conference, would it?

Mr. ALBERT. It would instruct the conferees on one issue, and that is all. It is a motion to instruct the conferees to go back to conference, as I understand it, for the purpose of insisting on a \$4 billion cut rather than a \$6 billion cut.

Mr. GROSS. But the work of the conference is done. But the conference report has not reported to the House, however; is that correct?

Mr. ALBERT. That is correct.

Mr. GROSS. The gentleman does not expect the report of the conference before the Memorial Day recess?

Mr. ALBERT. I have been advised by the gentleman from Arkansas, the chairman of the Committee on Ways and Means, that he will not be prepared to file the conference report before this matter is brought to the floor.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. ALBERT]?

There was no objection.

DISPENSING WITH BUSINESS IN ORDER UNDER CALENDAR WEDNESDAY RULE ON WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PERSONAL EXPLANATION

(Mr. SANDMAN asked and was given permission to address the House for 1 minute.)

Mr. SANDMAN. Mr. Speaker, when the vote was taken on the bill, H.R. 8578, I was detained at a meeting downtown on official business for my congressional district. I was not here to answer roll-call No. 151. If I had been here, I would have voted in the affirmative.

PRESIDENT JOHNSON'S SIGNATURE GETS DEPARTMENT OF TRANSPORTATION STUDY OF AUTOMOBILE INSURANCE AND RELATED PROBLEMS UNDERWAY—PROGRESS REPORTS TO CONGRESS PROMISED AT 3-MONTH INTERVALS

(Mr. CAHILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CAHILL. Mr. Speaker, yesterday I had the privilege of attending the Presidential signing of legislation authorizing the Department of Transportation to conduct a 2-year study of the automobile accident compensation system. It is encouraging to report that President Johnson's comments on this legislation were largely directed to the immediate problems of the Nation's automobile insurance system rather than to academic concern with revision of the tort negligence system. Indicating the major scope of the investigation, President Johnson said that the study should ascertain "why insurance premiums have jumped so suddenly—up 44 percent in the last 10 years."

The President also stated that he wanted to know why access to automobile insurance is not available to all and the reasons that have caused many insurance companies to fail, leaving thousands of policyholders helpless.

In view of this Presidential concern and interest, the legislative history underlying the Department's authorization and the immediate importance of the automobile insurance crisis, it would seem that Secretary of Transportation Boyd should direct that the existing problems of arbitrary policy cancellations, soaring premium rates, insurer insolvencies, and State insurance regulation be probed first. By structuring the investigation to first examine these critical existing problems in the insurance industry, interim reports to appropriate congressional committees would permit immediate formulation and enactment of remedial legislation. It would seem probable that this phase of the investigation could be completed within 1 year with the remaining year being devoted to the more academic task of evaluating and formulating alternatives to the present tort system of accident compensation.

In this manner, the American public's concern with immediate insurance reform, as expressed by President Johnson's comments yesterday, can be met without unnecessary delay. Similarly, it is clear that if remedial legislation is to be enacted without unnecessary delay, the Congress, its individual Members, and its appropriate committees must be kept informed of the progress and current results of the investigation.

The legislation authorizing the study, of course, require submission of interim reports by the Secretary of Transportation to the Congress. I am sure that the interested committees and their staffs will look forward to receiving, examining, and evaluating these reports with a view to possible legislative solutions. Moreover, for my own part, as one keenly concerned with the successs of this investigation, and in order to keep the Members and the public informed of its progress, I promise to report on investigation developments every 3 months during the course of the study.

#### HAPPY MOTHER'S DAY, MISS WALKER

(Mr. WILLIAMS of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS of Pennsylvania. Mr. Speaker, considering all the attention being focused upon the so-called poor people today, I would like to insert in the RECORD the following news article from the Main Line Chronicle of May 9, 1968, about a 23-year-old welfare recipient who lives with four of her five children in her mother's house and collects relief for her children, who were begat by four different fathers.

Mr. Speaker, I think this article is a perfect example of the harm being done by our current welfare approach and I would like to insert it in the CONGRESSIONAL RECORD for the benefit of those misguided people who think that govern-

ment handouts are the answer to social progress:

#### HAPPY MOTHER'S DAY, MISS WALKER—MOTHER ON RELIEF DISCLAIMS RESPONSIBILITY FOR CHILDREN

Barbara Walker, a 23-year-old Bryn Mawr mother who lives with four of her five children in her mother's house at 29 Prospect Ave., collects relief for her children, who were begat by four different fathers.

She was summoned before Magistrate Seymour L. Green last Thursday on a complaint by Eleanor Flom, an attendance officer at Bryn Mawr Elementary School, because one of the children, Thomas Lee, had been absent from school 72 days out of 151. Miss Walker insisted that the children were the responsibility of her mother.

"Why hasn't Tommy been in school?" Magistrate Green asked the petite defendant.

"My mother—we live with her—is supposed to get the kids to school," Miss Walker answered.

"But the children are your responsibility, not hers," the Squire reminded her.

"Oh, no," was her reply, "my mother is responsible for the kids. She takes care of them."

#### DOESN'T WORK DURING DAY

"Do you work during the day?" Mr. Green wanted to know. There was no reply.

"Look, Barbara," the judge went on, "unless you work you're in charge of these kids. You're supposed to get them up and dressed, give them a good breakfast and get them off to school. You can't expect your mother to take care of them."

"No," Miss Walker replied, "my mother is supposed to do all that. She is really responsible for them—she just doesn't have guardian's papers."

"Well, why aren't the kids in school?" the Magistrate inquired.

"I don't know. I get up in the morning and my mother'll come upstairs and tell me Tommy has a fever and she kept him home."

"What time do you get up?"

"Oh," Miss Walker estimated, "about 10."

"Ten o'clock!" the Squire exclaimed. "The morning's almost gone! You have a family to take care of."

"They're not my responsibility," the defendant repeated.

"Tell me," said the Squire, changing his tack, "do you get any money from these children's father?"

"Fathers," Miss Walker corrected him. "No, I don't. I get a welfare check."

"And how much is that?"

"It comes every two weeks and it's \$80.80."

"Hmmm," Mr. Green pondered, "that's not very much money. Is that your only source of income?"

"Yes, it is," Miss Walker affirmed.

"Do you pay your mother rent?"

"Yeah, I pay \$80 a month."

"How many people live in the house?" was Mr. Green's next question.

"Well, me and my four kids and my mother and another man."

"Oh," suggested Mr. Green, "is he a boarder? Does he pay rent too?"

"I don't think so," the defendant replied.

"Well, anyway," the Magistrate continued, "why aren't some of these men helping you out with the children?"

"They won't," she answered simply.

"Well, if you want to sue, I'll help you out," he assured her. "They should be giving you some money for the children."

"For now," he went on, "I just want to tell you how important it is that these kids get an education. They've got to go to school. If you let Tommy stay out now he's just going to become more of an outcast."

Mrs. Flom, the truant officer, spoke up. "Tommy has to be moved to the next grade. He's not prepared for it, but he's too old to keep back."

"Now, you see?" the Squire pointed out. "Tommy looks like a bright little boy. I

don't think he's a dummy. But he's going to act like one if he doesn't get to school every day. It's just going to get worse and worse. His education is important—he's only going to have a lot more problems if he doesn't go to school."

"I'm not going to fine you," Mr. Green concluded. "You need the money a lot more than the school does, or I do. But you get these kids to school."

#### FEDERAL EMPLOYEES "FREEDOM OF CHOICE" ACT

Mr. HALL. Mr. Speaker, inasmuch as we are having 1-minute requests in spite of coming in early in order to avoid meeting on Friday, I ask unanimous consent to address the House for 1 minute, revise and extend my remarks, and include pertinent material.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, it is my understanding that the Johnson administration is in the process of implementing another "beneficial," but despotic decree; that would go one step further in destroying the rights of the individual and further violate the principle of separation of powers by the usurping of congressional authority. This "decree" or proposed Executive order is allegedly the result of recommendations that the President's Labor Management Review Commission may present at any time. The recommendations will call for changes in President Kennedy's Executive Order No. 10988, which now controls labor-management relations in the Federal Government. From all indications the suggestions are most likely to include provisions for compulsory union membership for Federal employees.

In anticipation of this "Imperial Fiat," I am introducing a bill that will guarantee the Federal employee his "right to refrain" from union membership and checkoff dues. In other words, this legislation would safeguard the right of Federal employees and civil servants to join, or not to join, a union. This bill uses the language that President Kennedy set forth in his Executive order of 1962 when he said:

Employees of the Federal Government shall have and shall be protected in the exercise of the right, free and without fear of penalty or reprisal, to form, join and assist any employee organization, or to refrain from such activities.

Mr. Speaker, I fail to see how circumstances have changed within the last 6 years to warrant any change in the Kennedy policy. I further fail to see why such a basic right, which is involved here, should be subject to the private whim of the President, or a commission of the so-called "experts," thus bypassing Congress and the American people. If any change in policy is required it should come from the people, themselves, through the legislative route of congressional action—never from the onslaught of authoritarian decrees.

Much support from the "right to refrain" on the part of Federal employees has emanated from all parts of the country and from all segments of our society. Among the comments that have been generated from the district I am privi-







Public Law 90-328  
90th Congress, S. J. Res. 168  
June 4, 1968

## Joint Resolution

82 STAT. 169

To authorize the temporary funding of the Emergency Credit Revolving Fund.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Commodity Credit Corporation is hereby authorized and directed to make advances to the Emergency Credit Revolving Fund (7 U.S.C. 1966) in a total amount not to exceed \$30,000,000. Such advances together with interest at a rate which will compensate Commodity Credit Corporation for its cost of money during the period in which the advance was outstanding shall be reimbursed out of appropriations to the fund hereafter made.

Approved June 4, 1968.

Emergency Credit  
Revolving Fund.  
Temporary fund-  
ing.  
75 Stat. 312.

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### LEGISLATIVE HISTORY:

HOUSE REPORT No. 1345 accompanying H. J. Res. 1227 (Comm. on Agriculture).

SENATE REPORT No. 1127 (Comm. on Agriculture & Forestry).

CONGRESSIONAL RECORD, Vol. 114 (1968):

May 20: Considered and passed Senate.

May 23: Considered and passed House, in lieu of H. J. Res. 1227.

